OFFICIAL STATEMENT

$161,210,000

State of Nevada
General Obligation (Limited Tax) Bonds

$121,920,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
Series 2010C

$20,170,000
State of Nevada
General Obligation (Limited Tax)
Natural Resources and Refunding Bonds
Series 2010D

$4,535,000
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Matching Bonds
Series 2010G

$8,350,000
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund
Leveraged Refunding Bonds
Series 2010H, Subseries 1 (Tax-Exempt) $4,625,000
Series 2010H, Subseries 2 (Taxable) $3,725,000

$6,235,000
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund Matching
and Refunding Bonds
Series 2010I

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For information about the tax matters relating to the Bonds, see "TAX MATTERS" in Part I of this Official Statement.

NEW ISSUES – BOOK-ENTRY ONLY

DAC Bond™

RATINGS	
Fitch	AA+
Moody's	Aa1
Standard & Poor's	AA+

See "RATINGS."

$121,920,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
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$6,235,000
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund Matching and Refunding Bonds
Series 2010I

DATED: Date of Delivery **DUE: See inside cover pages**

Interest on the 2010C Bonds and 2010D Bonds is payable on June 1 and December 1 of each year, commencing June 1, 2011. Interest on the 2010G Bonds, 2010H Bonds and 2010I Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2011. The Bonds may be purchased in book–entry form only, in the principal amount of $5,000 or any integral multiple thereof. See "Appendix C—Book-Entry System" in Part I of this Official Statement.

The 2010C Bonds and 2010D Bonds will be subject to optional redemption prior to maturity as set forth herein. The 2010C Bonds will not be subject to mandatory sinking fund redemption. The 2010D Bonds will be subject to mandatory sinking fund redemption prior to maturity as set forth herein. The 2010G Bonds and 2010H Bonds will not be subject to optional redemption. The 2010G Bonds and 2010H-1 Bonds will not be subject to mandatory sinking fund redemption. The 2010H-2 Bonds will be subject to mandatory sinking fund redemption prior to maturity as set forth herein. The 2010I Bonds will be subject to optional redemption, extraordinary redemption and mandatory sinking fund redemption prior to maturity as set forth herein.

The Bonds are direct general obligations of the State of Nevada to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other moneys are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "DESCRIPTION OF THE BONDS—Security for the Bonds" in Part I of this Official Statement.

For maturity dates, principal amounts, interest rates, yields and CUSIP numbers of the Bonds, see inside cover pages.

The 2010C Bonds and the 2010D Bonds are offered, subject to prior sale, when, as and if issued by the State and accepted by Barclays Capital Inc., on behalf of itself and Morgan Stanley & Co. Incorporated, and the 2010G Bonds, the 2010H Bonds and the 2010I Bonds are offered, subject to prior sale, when, as and if issued by the State and accepted by Merrill Lynch, Pierce, Fenner & Smith Incorporated; all subject to the approval of legality and certain other legal matters by Swendseid & Stern, a member in Sherman & Howard L.L.C., Bond Counsel for the Bonds and to certain other conditions. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the State and by Koegen Edwards LLP, counsel to the Underwriters. The Bonds are expected to be available for book–entry delivery on or about December 21, 2010.

This page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

2010C and 2010D Bonds

BARCLAYS CAPITAL Morgan Stanley

2010G, 2010H and 2010I Bonds

BofA Merrill Lynch

Official Statement Dated: December 8, 2010

OFFICIAL STATEMENT

Maturity Schedules

$121,920,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
Series 2010C

Base CUSIP*: 641461

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP* Suffix
2013	$1,250,000	3.000%	1.540%	NG9
2014	1,555,000	5.000	1.900	NH7
2015	3,705,000	5.000	2.220	NJ3
2016	3,555,000	4.000	2.510	NK0
2017	19,385,000	5.000	2.940	NL8
2018	29,705,000	5.000	3.260	NM6
2019	23,140,000	5.000	3.580	NN4
2020	21,465,000	5.000	3.820	NP9
2021	2,035,000	5.000	4.080	NQ7
2022	1,690,000	5.000	4.270	NR5
2023	1,775,000	5.000	4.410	NS3
2024	1,860,000	5.000	4.550	NT1
2025	1,955,000	5.000	4.680	NU8
2026	2,050,000	5.000	4.800	NV6
2027	2,155,000	5.000	4.900	NW4
2028	2,265,000	5.000	5.000	NX2
2029	2,375,000	5.000	5.100	NY0

$20,170,000
State of Nevada
General Obligation (Limited Tax)
Natural Resources and Refunding Bonds
Series 2010D

Base CUSIP*: 641461

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP* Suffix
2015	$180,000	3.000%	2.220%	NZ7
2016	185,000	3.000	2.510	PA0
2017	4,195,000	5.000	2.940	PB8
2018	4,400,000	5.000	3.260	PC6
2019	4,625,000	5.000	3.580	PD4
2020	4,890,000	4.500	3.820	PE2
2030	790,000	4.875	5.100	PF9
2038	905,000	5.100	5.310	PG7

$4,535,000
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Matching Bonds
Series 2010G

Base CUSIP*: 641461

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP* Suffix
2011	$380,000	2.500%	0.820%	PH5
2012	390,000	3.000	1.200	PJ1
2013	405,000	3.000	1.540	PK8
2014	420,000	5.000	1.900	PL6
2015	440,000	5.000	2.220	PM4
2016	460,000	4.000	2.540	PN2
2017	480,000	4.000	2.960	PP7
2018	500,000	4.000	3.280	PQ5
2019	520,000	4.000	3.580	PR3
2020	540,000	4.000	3.820	PS1

$8,350,000
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Leveraged Refunding Bonds
Series 2010H
Subseries 1 (Tax-Exempt) $4,625,000
Subseries 2 (Taxable) $3,725,000

Base CUSIP[*]: 641461

Subseries 1 (Tax-Exempt)

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[*] Suffix
2012	$1,065,000	5.000%	1.200%	PT9
2013	1,110,000	5.000	1.540	PU6
2014	1,175,000	5.000	1.900	PV4
2015	1,275,000	5.000	2.220	PW2

Subseries 2 (Taxable)

Maturity Date (August 1)	Principal Amount	Interest Rate	Price	CUSIP[*] Suffix
2014	$1,800,000	3.252%	100%	NE4
2017	1,925,000	4.422	100	NF1

$6,235,000
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund Matching and Refunding Bonds
Series 2010I

Base CUSIP*: 641461

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP* Suffix
2011	$270,000	3.000%	0.820%	PX0
2012	380,000	4.000	1.200	PY8
2013	390,000	4.000	1.540	PZ5
2014	405,000	5.000	1.900	QA9
2015	420,000	4.000	2.220	QB7
2016	440,000	4.000	2.540	QC5
2017	465,000	4.000	2.960	QD3
2018	480,000	4.000	3.280	QE1
2019	375,000	4.000	3.580	QF8
2020	390,000	3.750	3.820	QG6
2025	2,220,000	4.500	4.750	QH4

STATE OF NEVADA
Jim Gibbons, Governor
Brian K. Krolicki, Lieutenant Governor
Ross Miller, Secretary of State
Kate Marshall, State Treasurer
Kim R. Wallin, State Controller
Catherine Cortez Masto, Attorney General

FINANCIAL ADVISORS

For 2010C Bonds and 2010D Bonds:

NSB Public Finance,
A division of Zions First National Bank
230 Las Vegas Boulevard South, Suite 200
Las Vegas, Nevada 89101
(702) 796-7080

For 2010G Bonds, 2010H Bonds and 2010I Bonds:

JNA Consulting Group, LLC
1400 Wyoming Street, Suite 3
Boulder City, Nevada 89005
(702) 294-5100

BOND COUNSEL
Swendseid & Stern
A member in Sherman & Howard L.L.C.
50 West Liberty Street, Suite 1000
Reno, Nevada 89501
(775) 323-1980

DISCLOSURE COUNSEL
Orrick, Herrington & Sutcliffe LLP
400 Capitol Mall, Suite 3000
Sacramento, California 95814
(916) 447-9200

REGISTRAR AND PAYING AGENT
U.S. Bank National Association
101 North First Avenue, Suite 1600
Phoenix, Arizona 85003
(800) 934-6802

ESCROW BANK
(Refunding Portion of 2010C Bonds, 2010D Bonds, 2010H Bonds and 2010I Bonds)
The Bank of New York Mellon Trust Company, N.A.
700 S. Flower Street, Suite 500
Los Angeles, California 90017
(213) 630-6259

No dealer, broker, salesperson or other person has been authorized by the State of Nevada (the "State") to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the State or the Underwriters. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Any information, estimates and expressions of opinion herein are subject to change without notice; and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the State since the date hereof.

The information set forth herein has been furnished by the State and includes information obtained from other sources. Such other sources are believed to be reliable, but the information derived from such sources is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other person.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the State's financial results could cause actual results to differ materially from those stated in the forward-looking statements. The presentation of information, including tables of receipts from taxes and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the State. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

In connection with this offering the purchasers may over allot or effect transactions that stabilize or maintain the market prices of the Bonds offered hereby at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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PART II – INFORMATION CONCERNING THE STATE OF NEVADA

TABLES

* Annual financial information to be updated annually pursuant to SEC Rule 15c2-12.

OFFICIAL STATEMENT

$161,210,000

THE STATE OF NEVADA

RELATING TO THE ISSUE AND SALE OF

GENERAL OBLIGATION (LIMITED TAX) BONDS

$121,920,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
Series 2010C

$20,170,000
State of Nevada
General Obligation (Limited Tax)
Natural Resources and Refunding Bonds
Series 2010D

$4,535,000
State of Nevada
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Water Pollution Control Revolving
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$6,235,000
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund Matching
and Refunding Bonds
Series 2010I

INTRODUCTION

General

This Official Statement of the State of Nevada (the "State"), including the cover pages, the inside cover pages, the appendices and exhibits, is provided for the purpose of setting forth information in connection with the sale of the following:

- $121,920,000 State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2010C (the "2010C Bonds");

- $20,170,000 State of Nevada General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series 2010D (the "2010D Bonds");

- $4,535,000 State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2010G (the "2010G Bonds");

- $4,625,000 State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2010H, Subseries 1 (Tax-Exempt) (the "2010H-1 Bonds");

- $3,725,000 State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2010H, Subseries 2 (Taxable) (the "2010H-2 Bonds" and together with the 2010H-1 Bonds, the "2010H Bonds"); and

- $6,235,000 State of Nevada General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching and Refunding Bonds, Series 2010I (the "2010I Bonds").

The 2010C Bonds, 2010D Bonds, 2010G Bonds, 2010H Bonds and 2010I Bonds are collectively referred to in this Official Statement as the "Bonds."

This Official Statement consists of the cover pages and all prefatory material prior to this introduction, this introduction, Part I (including all Appendices thereto) and Part II (including all Appendices thereto).

Part I - The Bonds

Part I sets forth information concerning the Bonds, including the payment and redemption provisions, the basis of their authorization and their purposes, the security for the Bonds, a description of the events of default, remedies and amendment provisions applicable to the Bonds, the federal income tax treatment of the interest on the Bonds, and certain other matters.

Part II - The State of Nevada

Part II sets forth certain information relating to the State, including constitutional and statutory authorizations of general obligation debt and applicable debt limitations, information related to general obligation bonds currently issued and outstanding, as well as general obligation bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information. Part II also includes as appendices the comprehensive annual financial report (excluding the statistical section) of the State for FY 2009 and a brief history of general fund revenues, expenditures and changes in fund balances for FY 2005, 2006, 2007, 2008 and 2009. The State's fiscal year (referred to herein as "FY") is the 12-month period ending on June 30.

Miscellaneous

Potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the State, the Bonds, and the State documents authorizing the Bonds (the "Bond Resolutions") are included in this Official Statement. All references herein to the Bonds and the Bond Resolutions and other documents referred to herein are qualified in their entirety by reference to such documents and all capitalized terms used herein, which are not defined, have the meanings given such terms as set forth in the Bond Resolutions.

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the purchasers or subsequent owners of the Bonds.

The summaries of certain provisions of the Bonds, the Nevada statutes, the Bond Resolutions and other documents referred to in this Official Statement do not purport to be complete and reference is made to each of them for a complete statement of their provisions. The term "NRS" used herein refers to the Nevada Revised Statutes.

A wide variety of other information, including financial information, concerning the State is available from State agencies, State agency publications and State agency websites. No such information is a part of or incorporated into this Official Statement.

Additional copies of this Official Statement are available from the State by contacting its Director of the Department of Administration, Blasdel Building, Room 200, Carson City, Nevada 89701, telephone: (775) 684-0222 or the State Treasurer, 101 North Carson Street, Suite #4, Carson City, Nevada 89701, telephone: (775) 684-5600.

PART I

INFORMATION CONCERNING THE BONDS BEING OFFERED

DESCRIPTION OF THE BONDS

General

The Bonds are dated their date of delivery and will mature on the dates and in the principal amounts set forth on the inside cover pages of this Official Statement. Interest on the Bonds is payable as shown on the inside cover pages of this Official Statement. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Beneficial interests in the Bonds may be purchased in book-entry form only, in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations"). Purchasers of Bonds will not receive certificates representing their ownership interest in the Bonds purchased. The record date for the payment of interest on the Bonds (the "Regular Record Date") is the close of business on the 15th day of the calendar month preceding an interest payment date. Interest will be paid by U.S. Bank National Association, Paying Agent and Registrar (the "Paying Agent" and "Registrar"), on the interest payment date (or if such day is not a business day, on the next succeeding business day) to DTC or its nominee as registered owner of the Bonds. Disbursement of interest, principal and redemption payments is the responsibility of DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references in this Official Statement to the registered owners of the Bonds will mean Cede & Co., and will not mean the beneficial owners. See "Appendix C—Book-Entry System" in Part I of this Official Statement.

Redemption of Bonds

Optional Redemption of Bonds Prior to Maturity

2010C Bonds. The 2010C Bonds, or portions thereof in Authorized Denominations, maturing on and after June 1, 2021, will be subject to optional redemption prior to their respective maturities, on and after June 1, 2020, at the option of the State, in whole or in part at any time, from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each 2010C Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

2010D Bonds. The 2010D Bonds, or portions thereof in Authorized Denominations, maturing on and after June 1, 2021, will be subject to optional redemption prior to their respective maturities, on and after June 1, 2020, at the option of the State, in whole or in part at any time, from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each 2010D Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

2010G Bonds. The 2010G Bonds are not subject to optional redemption prior to maturity.

2010H Bonds. The 2010H Bonds are not subject to optional redemption prior to maturity.

2010I Bonds. The 2010I Bonds or portions thereof in Authorized Denominations, maturing on August 1, 2025, will be subject to optional redemption prior to their respective maturities, on and after August 1, 2020, at the option of the State, in whole or in part at any time, from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each 2010I Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Extraordinary Redemption of 2010I Bonds

In the event that (i) less than 30% of the net proceeds of the 2010I Bonds allocated to the Project for the 2010I Bonds have been used directly or indirectly to make or finance loans to ultimate borrowers within one year of the date of issue of the 2010I Bonds, or (ii) less than 95% of the net proceeds of the 2010I Bonds allocated to the Project for which the 2010I Bonds have been issued have been used directly or indirectly to make or finance loans to ultimate borrowers within three years of the date of issue of the 2010I Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding 2010I Bonds, a principal amount of the 2010I Bonds equal to (a) the amount of net proceeds required to be used to make or finance loans under clause (i) or (ii) of the preceding sentence, respectively, less (b) the amount of net proceeds actually used for such purpose at the end of the one-year or three-year period, respectively. The redemption date shall be a date not later than 90 days following the applicable one-year or three-year period. Such redemption shall be at a price equal to the principal amount of each 2010I Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, and shall be payable from proceeds of the 2010I Bonds on deposit in the Acquisition Account for the 2010I Bonds. Such redemption shall be in denominations of $5,000 or integral multiples thereof, provided that not less than the required amount of 2010I Bonds set forth above is redeemed. For purposes of this paragraph, "net proceeds" has the meaning given such term by Section 150 of the Internal Revenue Code of 1986, as amended, but does not include (i) proceeds used to finance issuance costs or (ii) proceeds necessary to pay interest on the 2010I Bonds during such period.

Mandatory Sinking Fund Redemptions of Bonds Prior to Maturity

2010C Bonds. The 2010C Bonds are not subject to mandatory sinking fund redemption.

2010D Bonds. The 2010D Bonds maturing on June 1, 2030, are subject to mandatory sinking fund redemption on the dates and in the amounts set forth below at a redemption price equal to 100% of the principal amount of the 2010D Bonds to be redeemed, and accrued interest to the redemption date, as set forth in the following table:

Redemption Date (June 1)	Principal Amount
2021	$ 60,000
2022	60,000
2023	65,000
2024	70,000
2025	95,000
2026	100,000
2027	75,000
2028	85,000
2029	90,000
2030*	90,000

*Maturity.

The 2010D Bonds maturing on June 1, 2038, are subject to mandatory sinking fund redemption on the dates and in the amounts set forth below at a redemption price equal to 100% of the principal amount of the 2010D Bonds to be redeemed, and accrued interest to the redemption date, as set forth in the following table:

Redemption Date (June 1)	Principal Amount
2031	$ 95,000
2032	100,000
2033	105,000
2034	110,000
2035	115,000
2036	120,000
2037	130,000
2038*	130,000

*Maturity.

2010G Bonds. The 2010G Bonds are not subject to mandatory sinking fund redemption.

2010H Bonds. The 2010H-1 Bonds are not subject to mandatory sinking fund redemption. The 2010H-2 Bonds maturing on August 1, 2014, are subject to mandatory sinking fund redemption on the dates and in the amounts set forth below at a redemption price equal to 100% of the principal amount of the 2010H-2 Bonds to be redeemed, and accrued interest to the redemption date, as set forth in the following table:

Redemption Date (August 1)	Principal Amount
2011	$ 75,000
2012	555,000
2013	575,000
2014*	595,000

*Maturity.

The 2010H-2 Bonds maturing on August 1, 2017, are subject to mandatory sinking fund redemption on the dates and in the amounts set forth below at a redemption price equal to 100% of the principal amount of the 2010H-2 Bonds to be redeemed, and accrued interest to the redemption date, as set forth in the following table:

Redemption Date (August 1)	Principal Amount
2015	$ 615,000
2016	640,000
2017*	670,000

*Maturity.

2010I Bonds. The 2010I Bonds maturing on August 1, 2025, are subject to mandatory sinking fund redemption on the dates and in the amounts set forth below at a redemption price equal to 100% of the principal amount of the 2010I Bonds to be redeemed, and accrued interest to the redemption date, as set forth in the following table:

Redemption Date (August 1)	Principal Amount
2021	$ 405,000
2022	425,000
2023	440,000
2024	465,000
2025*	485,000

*Maturity.

Selection of Bonds to be Redeemed

2010C Bonds, 2010D Bonds and 2010I Bonds. For each of the 2010C Bonds, 2010D Bonds and 2010I Bonds, optional redemptions will be in whole or in part at any time from such maturities as are selected by the State, and if less than all the 2010C Bonds, 2010D Bonds or 2010I Bonds of a maturity are to be redeemed, by lot within such maturity in such manner as the Registrar may determine.

2010H-2 Bonds. If a portion of a maturity of the 2010H-2 Bonds is to be redeemed, the 2010H-2 Bond to be redeemed will be selected on a pro rata basis to each 2010H-2 Bondholder in whose name such 2010H-2 Bonds are registered on the Regular Record Date immediately preceding the redemption date. "Pro rata" for a 2010H-2 Bondholder is to be determined, in connection with any redemption, in part, by multiplying the principal amount of the 2010H-2 Bonds of a maturity to be redeemed in part on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of 2010H-2 Bonds of such maturity owned by that 2010H-2 Bondholder, and the denominator of which is equal to the total amount of the 2010H-2 Bonds of that maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral multiple of $5,000, provided that the portion of any 2010H-2 Bond to be redeemed shall be in $5,000 denominations and all 2010H-2 Bonds to remain Outstanding following any redemption shall be in $5,000 denominations. Adjustments to the foregoing pro rata redemption may be made in the amount of $5,000 for any 2010H-2 Bondholder so that the aggregate amount of 2010H-2 Bonds of a maturity being redeemed in part owned by all 2010H-2 Bondholders is equal to the aggregate amount of 2010H-2 Bonds of that maturity to be redeemed.

If the 2010H-2 Bonds are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered owner of the 2010H-2 Bonds, partial redemptions will be done in accordance with DTC procedures. It is the State's intent that redemption allocations made by DTC be made in accordance with these same proportional provisions. However, the State can provide no assurance that DTC will allocate redemptions among beneficial owners on such a proportional basis.

Notice of Redemption

Notice of redemption of any Bonds will be given by the Registrar electronically, at least 30 days but not more than 60 days prior to the redemption date, to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System ("MSRB") and to the registered owner of the Bonds called for redemption (which will be Cede & Co., as nominee of DTC). The notice will identify the Bonds or portions thereof to be redeemed, specify the redemption date and state that on the redemption date, the principal amount thereof, accrued interest and premium, if any, thereon will become due and payable at the principal office of the Paying Agent or such other office as may be designated by the Paying Agent, and that after the redemption date, no further interest will accrue on the principal of any Bond called for redemption. Actual receipt of the notice by the MSRB or the registered owner of the Bonds shall not be a condition precedent to the redemption of such Bonds. Failure to give such notice as described above to the MSRB or the registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond called for redemption. Any notice of redemption may provide that the redemption is conditional upon receipt by the Paying Agent of funds sufficient to pay the redemption price, and that if such funds are not available, the redemption shall be cancelled.

Authorization and Purposes of Bonds

2010C Bonds. The 2010C Bonds are being issued to finance various State capital improvement projects and, at the discretion of the State, to refund all or any portion of the following general obligation bond issues: State of Nevada General Obligation (Limited Tax) Cultural Affairs Bonds, Series 2001C (the "Series 2001C Bonds"), State of Nevada General Obligation (Limited Tax) Capital Improvement Bonds, Series September 1, 2001A (the "Series 2001A Bonds"), State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series February 1, 2002A (the "Series February 1, 2002A Bonds"), State of Nevada General Obligation (Limited Tax) Capital Improvement, Cultural Affairs and Refunding Bonds, Series July 1, 2002A (the "Series July 1, 2002A Bonds") and State of Nevada General Obligation (Limited Tax) Capital Improvement, Cultural Affairs and Refunding Bonds, Series October 1, 2003A (the "Series 2003A Bonds"). See "Plan of Refunding" below. The 2010C Bonds are being issued pursuant to the Constitution and laws of the State, including Chapter 440, Statutes of Nevada, 2009, Sections 349.150 to 349.364, Nevada Revised Statutes, designated in Section 349.150 thereof as the State Securities Law (together with all laws amendatory thereof, the "Bond Act"), Chapter 348, Nevada Revised Statutes (together with all laws amendatory thereof, the "Supplemental Bond Act"), and a resolution adopted by the Board of Finance of the State (the "Board of Finance ") on November 9, 2010 (the "2010C Bond Resolution"). A copy of the 2010C Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City for public inspection.

2010D Bonds. The 2010D Bonds are being issued to finance capital improvements as provided by Chapter 55, Statutes of Nevada 2005, as amended (the "Marlette Project Act") authorizing the issuance of general obligation bonds in the principal amount of not more than $25 million for the purpose of financing the capital costs of improving and modernizing the Marlette Lake Water System as provided in the Marlette Project Act, to finance capital improvements as provided by NRS 349.980 to 349.987, inclusive, as amended (the "Water Project Act") authorizing the issuance of general obligation bonds in the face amount of not more than $125,000,000 outstanding at any time for the purpose of financing the costs of providing grants of money to purveyors of water to pay for capital improvements to publicly owned water systems and publicly owned nontransient water systems and, at the discretion of the State, to refund all or any portion of the following general obligation bond issues: State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series September 1, 2001B (the "Series 2001B Bonds"), State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series July 1, 2002C (the "Series 2002C Bonds") and State of Nevada General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series October 1, 2003B (the "Series 2003B Bonds"). See "Plan of Refunding" below. The 2010D Bonds are being issued pursuant to the Constitution and laws of the State, including the Marlette Project Act, the Water Project Act, the Bond Act, the Supplemental Bond Act, and a resolution adopted by the Board of Finance on November 9, 2010 (the "2010D Bond Resolution"). A copy of the 2010D Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City for public inspection.

2010G Bonds. The 2010G Bonds are being issued to provide state matching funds for the State's Water Pollution Control Revolving Fund Program. Proceeds of the 2010G Bonds will be applied to make loans to municipalities for the construction of treatment works and the implementation of pollution control projects. The 2010G Bonds are being issued pursuant to the Constitution and laws of the State, including NRS 445A.060 through 445A.160 (the "Act"), the Bond Act, the Supplemental Bond Act, an Order of the Treasurer of the State to be adopted on December 8, 2010 (the "2010G Order") and a resolution adopted by the Board of Finance on November 9, 2010 (the "2010G and 2010H Approval Resolution"). A copy of the 2010G Order and the 2010G and 2010H Approval Resolution are on file in the office of the secretary of the Board of Finance in Carson City for public inspection.

2010H Bonds. The 2010H Bonds are being issued to refund all or any portion of the State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged and Refunding Bonds, Series 2001A-1 (the "Series 2001A-1 Bonds ") and State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged and Refunding Bonds, Series 2001A-2 (the "Series 2001A-2 Bonds"). See "Plan of Refunding" below. The 2010H Bonds are being issued pursuant to the Constitution and laws of the State, including the Act, the Bond Act, the Supplemental Bond Act, an Order of the Treasurer of the State to be adopted on December 8, 2010 (the "2010H Order") and the 2010G and 2010H Approval Resolution. A copy of the 2010H Order and the 2010G and 2010H Approval Resolution are on file in the office of the secretary of the Board of Finance in Carson City for public inspection.

2010I Bonds. The 2010I Bonds are being issued to provide state matching funds for the State's Safe Drinking Water Revolving Fund Program. Proceeds of the 2010I Bonds will be applied by the State to make loans to municipalities for wastewater system projects. The 2010I Bonds are also being issued to refund all or any portion of the State of Nevada General Obligation (Limited Tax) Safe Drinking Water Act Revolving Fund Matching Bonds, Series September 1, 2001C (the "Series September 1, 2001C Bonds"). See "Plan of Refunding" below. The 2010I Bonds are being issued pursuant to the Constitution and laws of the State, including Sections 445A.060 through 445A.160 of the Nevada Revised Statues, inclusive, as amended, and all laws amendatory thereof, the Bond Act, the Supplemental Bond Act, an Order of the Treasurer of the State to be adopted on December 8, 2010 (the "2010I Order"), and a resolution adopted by the Board of Finance on November 9, 2010 (the "2010I Approval Resolution"). A copy of the 2010I Order and the 2010I Approval Resolution are on file in the office of the secretary of the Board of Finance in Carson City for public inspection.

The 2010C Bond Resolution, the 2010D Bond Resolution, the 2010G Bond Order, the 2010H Bond Order and the 2010I Bond Order are collectively referred to in this Official Statement as the "Bond Resolutions."

Plan of Refunding

A portion of the proceeds of the sale of the Bonds and other lawfully available moneys will be set aside in one or more irrevocable escrow accounts, established with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Bank"), to advance refund the selected maturities of outstanding State general obligations bonds described in Schedule I to Part I of this Official Statement on their maturity or first redemption dates. Amounts held by the Escrow Bank will be invested in noncallable obligations of, or unconditionally guaranteed by, the United States.

The tables in Schedule I to Part I of this Official Statement describe the maturity date, par amount to be refunded, outstanding aggregate par amount, coupon, CUSIP number, maturity or redemption date and redemption price of the State general obligation bonds to be refunded (collectively, the "Refunded

Bonds"). The Refunded Bonds will be paid at maturity or on the redemption dates and at the redemption prices shown in the tables in Schedule I.

As used in the tables in Schedule I, the difference between the amounts in the column "Outstanding Aggregate Par Amount" and the column "Par Amount to be Refunded" represents bonds which are not legally able to be refunded or which do not provide sufficient savings, and that amount of the Refunded Bonds will remain outstanding after the redemption date. The State will pay the principal and interest due on the unrefunded portions of the Refunded Bonds on their respective scheduled maturities. The State Treasurer does not plan to request Moody's Investors Service, Standard & Poor's and Fitch Ratings to re-rate the Refunded Bonds. Following delivery of the Bonds, the State Treasurer plans to request that Standard & Poor's CUSIP Service Bureau provide separate CUSIP numbers for the Refunded Bonds maturities, and to ask DTC to allocate by lot those maturities between refunded and non-refunded bonds. DTC would then notify its Direct Participants of the resulting status of the Refunded Bonds. See "Appendix C—Book-Entry System."

Certain proceeds of the 2010C Bonds and 2010D Bonds will be used to refund and restructure certain outstanding State general obligation bonds paid from property taxes to realize debt service savings and more closely align debt service paid from property taxes with projected property tax revenues. Certain proceeds of the 2010H Bonds and 2010I Bonds will be used to refund certain outstanding self-supporting bonds (as defined herein) to realize debt service savings.

Sources and Uses of Proceeds of the Bonds

The sources and proposed uses of the proceeds of the 2010C Bonds, 2010D Bonds, 2010G Bonds, 2010H Bonds and 2010I Bonds are approximately as follows:

SOURCES	**2010C Bonds**	**2010D Bonds**	**2010G Bonds**	**2010H Bonds**	**2010I Bonds**
Principal Amount of Bonds	$121,920,000.00	$20,170,000.00	$4,535,000.00	$8,350,000.00	$6,235,000.00
Net Original Issue Premium	11,442,359.85	1,703,852.10	241,157.25	443,287.35	157,714.00
TOTAL SOURCES	**$133,362,359.85**	**$21,873,852.10**	**$4,776,157.25**	**$8,793,287.35**	**$6,392,714.00**
USES					
New Money Projects	$23,100,000.00	$2,250,000.00	$4,700,000.00	--	$5,500,000.00
Refunding Escrows	109,106,367.63	19,422,834.93	--	$8,665,280.00	794,041.00
Costs of Issuance[(1)]	1,155,992.22	201,017.17	76,157.25	128,007.35	98,673.00
TOTAL USES	**$133,362,359.85**	**$21,873,852.10**	**$4,776,157.25**	**$8,793,287.35**	**$6,392,714.00**

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(1) Represents underwriters' discount, legal and financing fees, financial advisory fees, printing costs, rating fees, and other miscellaneous expenses relating to the issuance of the Bonds.

Security for the Bonds

The Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "INFORMATION CONCERNING THE STATE OF NEVADA—DEBT STRUCTURE—Constitutional Debt Limitation" and "—PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement. The tax will be levied annually as necessary until all of the Bonds and the interest thereon are discharged, and will be levied and collected in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State will be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund, to be repaid from future available property taxes. See "INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in Part II of this Official Statement. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to $3.64 per $100 of assessed valuation. The State's current levy for general obligation debt is $0.17 per $100 of assessed valuation. The State Legislature has exempted $0.02 per $100 of the $0.17 per $100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in Part II of this Official Statement. While the State has no intention to raise the $3.64 statutory cap and such an increase would require a statutory change by the State Legislature, the State has the ability to raise its levy for the general obligation bonds within the constraints of the Nevada constitutional cap. See "INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

State law provides that the faith of the State be pledged, that any law concerning the Bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended or modified in such a manner as to impair adversely any outstanding municipal securities, including the Bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. State law authorizes holders of the Bonds to bring actions, at law or in equity, against the State, the Board, or other employees or agents of the State, to compel any action required by the State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not expect to levy ad valorem taxes to pay general obligation bonds that are (a) identified as self-supporting bonds because they are expected to be paid in full from sources other than property taxes (referred to herein as the "self-supporting bonds") or (b) expected to be paid in part from other sources but not identified as self-supporting. The 2010G Bonds, 2010H Bonds and 2010I Bonds are self-supporting bonds. The portion of the 2010D Bonds that are allocable to the Marlette Water System Project are expected to be paid from other sources. The currently outstanding self-supporting bonds and bonds that are not self-supporting but partially supported with revenues received from local sources are identified in Table 2 of Part II of this Official Statement. These bonds are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to ad valorem tax receipts as other general obligation bonds of the State.

Primary Source of Payment for the 2010G Bonds, 2010H and 2010I Bonds

Although the 2010G Bonds, 2010H Bonds and 2010I Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay the 2010G Bonds, the 2010H Bonds or the 2010I Bonds because the 2010G Bonds, 2010H Bonds and the 2010I Bonds are payable primarily from other revenues and are self-supporting bonds. The 2010G Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Water Pollution Control Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for wastewater treatment projects on a parity with certain other State general obligation bonds. The 2010H Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Water Pollution Control Revolving Fund consisting of amounts received from local governments as interest payments and principal payments on State loans to local governments for wastewater treatment projects on a parity with certain other State general obligation bonds. The 2010I Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Safe Drinking Water Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for drinking water system projects on a parity with certain other State general obligation bonds. For a summary of the State's Water Pollution Control Revolving Fund Program and Safe Drinking Water Act Revolving Fund Program, see "INFORMATION CONCERNING THE STATE OF NEVADA—DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—Water Pollution Control Revolving Fund" and "—Safe Drinking Water Revolving Fund" in Part II of this Official Statement.

Although available amounts on deposit in the above-referenced Revolving Funds have been sufficient to pay debt service on the State general obligation bonds they secure in the past, the State has not covenanted in the various Orders of the State Treasurer or related Resolutions of the Board authorizing bonds for these programs to limit the principal amount of bonds issued for the applicable program, to maintain a specified level of debt service coverage for bonds (although the statutes relating to the State's Water Pollution Control Revolving Fund Program do require that the Board certify that sufficient revenue will be available in the Water Pollution Control Revolving Fund to pay debt service before any related bonds are issued), to prohibit the creation of liens senior to those securing those of the 2010G Bonds, the 2010H Bonds or the 2010I Bonds, to maintain a specified portfolio of borrowers to whom program loans are made, or to otherwise maintain the credit quality of the revenues pledged as security for the 2010G Bonds, the 2010H Bonds or the 2010I Bonds. Investors should rely on the State's general obligation pledge in making investment decisions relating to 2010G Bonds, the 2010H Bonds and the 2010I Bonds.

Events of Default; Remedies

The Bond Resolutions relating to the 2010C Bonds and the 2010D Bonds do not contain any events of default. State law authorizes holders of their Bonds to bring actions, at law or in equity, against the State, the Board, or other employees or agents of the State, to compel any action required by the State law or in any covenant with bondholders, or to take certain other enumerated actions.

The Bond Resolutions for the 2010G Bonds, the 2010H Bonds and the 2010I Bonds do contain the following events of default because they are primarily secured by revenues other than property taxes. Each of the following events is declared an "event of default" under the Bond Resolutions for these Bonds: (1) payment of the principal of any of these Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity or otherwise; (2) payment of any installment of interest on these Bonds is not made when the same becomes due and payable; (3) the State for any reason is rendered incapable of fulfilling its obligations under such Bond Resolutions; (4) an order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for money in the Revolving Fund securing the payment of the 2010G Bonds, the 2010H Bonds or the 2010I Bonds, as applicable, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and (5) the State makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in these Bonds or in the Bond Resolutions on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the applicable series of Bonds then Outstanding.

Upon the happening and continuance of any of the events of default relating to these Bonds, then and in every case the owner or owners of not less than 10% in principal amount of the applicable series of Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the State and its agents, officers and employees to protect and to enforce the rights of any owner of such Bonds under the Bond Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained therein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the State to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds and any parity securities then Outstanding.

Supplemental Bond Resolutions

The Board may, from time to time, modify, amend, supplement or alter any Bond Resolution without the consent of, or notice to any of the Owners of the applicable series of Bonds for any one or more of the following purposes: (1) to add to the agreements of the Board or the State contained in the Bond Resolution, other agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Board or the State; (2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Resolution, or in regard to matters or questions arising under the Bond Resolution, as the Board may deem necessary or desirable and not inconsistent with the Bond Resolution; (3) to grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Owner of the Bonds; (4) to evidence the appointment of successors to any depositories, custodians, Paying Agent(s) or Bond Registrar(s); or (5) to make any other change which shall not have a material adverse effect on the interests of the Owners of the Bonds.

The Board may, from time to time, modify, amend, alter, or supplement the Bond Resolution other than as provided in the preceding paragraph; provided that the Board shall receive the written consent of the Owners of not less than 51% of the Bonds of the applicable series then Outstanding; provided, however, that no such supplemental proceedings shall: (1) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond outstanding under such Bond Resolution; (2) reduce or extend the time of payment of the principal of, redemption premium or interest on any Bond outstanding under such Bond Resolution; (3) reduce any premium payable upon the redemption of any Bond or advance the date upon which any Bond may first be called for redemption prior to its stated maturity date; (4) give to any Bond or Bonds a preference over any other Bond or Bonds; or (5) reduce the percentage of Bonds the Owners of which are required to consent to any proceedings amending or supplementing the provisions of such Bond Resolution.

Continuing Disclosure Undertaking

The State has agreed to certain covenants relating to compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of

1934, as amended ("SEC Rule 15c2-12"). The State has designated Digital Assurance Certification L.L.C. ("DAC") as its dissemination agent. The State has complied in all material respects with all of its prior written continuing disclosure undertakings pursuant to SEC Rule 15c2-12. See Appendix B of Part I of this Official Statement for the form of Disclosure Dissemination Agent Agreement, which includes the State's undertaking relating to compliance with SEC Rule 15c2-12.

LEGAL MATTERS

The validity of the Bonds are to be approved by Swendseid & Stern, a member in Sherman & Howard L.L.C., as Bond Counsel, whose approving opinions will be delivered to the State concurrently with the delivery of the Bonds. A copy of the proposed text of the approving opinions of Bond Counsel is set forth in Appendix A to Part I of this Official Statement. Orrick, Herrington & Sutcliffe LLP is serving as Disclosure Counsel to the State with respect to the Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Koegen Edwards LLP.

Bond Counsel, Disclosure Counsel and Underwriters' Counsel, respectively, undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending against the State (with service of process on the State having been accomplished) in any federal or state court, nor is the State a party in any administrative proceeding pending before any administrative body, that seeks to restrain or enjoin the sale or delivery of the Bonds or challenges the constitutionality, validity or enforceability of any document or approval necessary to the issuance of the Bonds.

The staff attorneys of the Nevada Attorney General's Office reported that the State or its officers and employees were parties to numerous lawsuits. In view of the financial condition of the State and based on the information provided by the staff attorneys, the State Attorney General is of the opinion that the State's ability to pay the Bonds will not be materially affected by this litigation, based on information known at the time this Official Statement was prepared. See "STATE LITIGATION" in Part II of this Official Statement for additional information concerning litigation affecting the State.

TAX MATTERS

2010C Bonds, 2010D Bonds, 2010G Bonds, 2010H-1 Bonds and 2010I Bonds

In the opinion of Swendseid & Stern, a member in Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2010C, 2010D, 2010G Bonds, 2010H-1 Bonds and 2010I Bonds (collectively, the "Tax-Exempt Bonds") is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and interest on the Tax-Exempt Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest on the Tax-Exempt Bonds (excluding the 2010G Bonds) is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below. The proposed forms of opinions of Swendseid & Stern, a member in Sherman & Howard L.L.C., Bond Counsel for the Bonds, are included in Appendix A to this Part I.

The Tax Code imposes several requirements which must be met with respect to the Tax-Exempt Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except, excluding the 2010G Bonds, to the extent of the aforementioned adjustments applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the Tax-Exempt Bonds. These requirements include: (a) limitations as to the use of proceeds of the Tax-Exempt Bonds; (b) limitations on the extent to which proceeds of the Tax-Exempt Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Tax-Exempt Bonds above the yield on the Tax-Exempt Bonds to be paid to the United States Treasury. The State will covenant and represent that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income and alternative minimum taxable income (except, excluding the 2010G Bonds, to the extent of the aforementioned adjustments applicable to corporations) under such federal income tax laws in effect when the Tax-Exempt Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the Tax-Exempt Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the State to comply with these requirements could cause the interest on the Tax-Exempt Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the State and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20 percent alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75 percent of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Tax-exempt Bonds except the 2010G Bonds.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Tax-Exempt Bonds. Owners of the Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Certain of the Tax-Exempt Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to inclusion of interest on the 2010H Subseries 2 (Taxable) Bonds in gross income for federal income tax purposes and the exclusion of interest on the Tax-Exempt Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Tax-Exempt Bonds. Owners of the Tax-Exempt Bonds should consult their own tax advisors as to the applicability of these consequences.

Internal Revenue Service Audit Program

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of any series of the Tax-Exempt Bonds. If an audit is commenced, the market value of the Tax-Exempt Bonds may be adversely affected. Under current procedures, the Service will treat the State as the taxpayer and the record and beneficial owners of the Tax-Exempt Bonds may have no right to participate in such procedures. The State has covenanted not to take any action that would cause the interest on the Tax-Exempt Bonds to lose their exclusion from gross income for federal income tax purposes or lose their exclusion from alternative minimum taxable income for federal income tax purposes. None of the State, the co-financial advisors, any initial purchaser, Bond Counsel or Disclosure Counsel is responsible for paying or reimbursing any owners of Tax-Exempt Bonds for any audit or litigation relating to any of the Tax-Exempt Bonds.

2010H-2 Bonds

In the opinion of Bond Counsel interest on the 2010H-2 Bonds is included in gross income for federal income tax purposes pursuant to the Tax Code.

Any tax advice concerning the 2010H-2 Bonds, interest on the 2010H-2 Bonds or any other federal income tax issues associated with the 2010H-2 Bonds, express or implicit in the provisions of this Official Statement, is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Service. This document supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Owners who purchase 2010H-2 Bonds in the initial offering at a price other than the original offering price shown on the inside cover page hereof and owners who purchase 2010H-2 Bonds after the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the 2010H-2 Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the 2010H-2 Bonds.

Other

Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Tax-Exempt Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Tax-Exempt Bonds or any other date, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

FINANCIAL STATEMENTS

The comprehensive annual financial report (excluding the statistical section) of the State for FY 2009 is included as Appendix A to Part II of this Official Statement. Kafoury Armstrong & Co., certified public accountants and independent auditors for the State, has consented to the inclusion of such comprehensive annual financial report in this Official Statement. The history of State General Fund Revenues, Expenditures and Changes in Fund Balance for the five fiscal years ended June 30, 2009, is included as Appendix B to Part II of this Official Statement. The comprehensive annual financial report for FY 2010 is expected to be available at the end of December 2010, after the issuance of the Bonds.

RATINGS

Fitch, Inc., doing business as Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") have assigned ratings of "AA+," "Aa1," and "AA+," respectively, to each series of Bonds. An explanation of the significance of these ratings may be obtained from Fitch at One State Street Plaza, New York, New York 10004, from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and from Standard & Poor's at 55 Water Street, New York, New York 10041. Such ratings reflect only the views of the rating agencies.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their opinion, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the marketability and market price of the Bonds to which such ratings are applicable.

UNDERWRITING

Barclays Capital Inc., as representative of itself and Morgan Stanley & Co. Incorporated, have agreed, subject to certain conditions, to purchase the 2010C Bonds from the State at a purchase price of $132,717,890.73 (being the par amount of the 2010C Bonds, plus a net original issue premium of $11,442,359.85 and less underwriters' discount of $644,469.12); and to purchase the 2010D Bonds from the State at a purchase price of $21,766,083.79 (being the par amount of the 2010D Bonds, plus a net original issue premium of $1,703,852.10 and less underwriters' discount of $107,768.31).

Morgan Stanley, parent company of Morgan Stanley & Co. Incorporated, has entered into a retail brokerage joint venture with Citigroup, Inc. As part of the joint venture, Morgan Stanley & Co. Incorporated will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. Incorporated will compensate Morgan Stanley Smith Barney LLC. for its selling efforts with respect to the 2010C Bonds and the 2010D Bonds.

Merrill Lynch, Pierce, Fenner & Smith Incorporated has agreed, subject to certain conditions, to purchase the 2010G Bonds from the State at a purchase price of $4,752,270.85 (being the par amount of the 2010G Bonds, plus a net original issue premium of $241,157.25 and less underwriter's discount of $23,886.40); to purchase the 2010H Bonds from the State at a purchase price of $8,751,779.90 (being the par amount of the 2010H Bonds, plus a net original issue premium of $443,287.35 and less underwriter's discount of $41,507.45); and to purchase the 2010I Bonds from the State at a purchase price of $6,358,396.75 (being the par amount of the 2010I Bonds, plus a net original issue premium of $157,714.00 and less underwriter's discount of $34,317.25).

The obligations of Barclays Capital Inc., as representative of itself and Morgan Stanley & Co. Incorporated, are subject to certain conditions precedent, and Barclays Capital Inc., as representative of itself and Morgan Stanley & Co. Incorporated, will be obligated to purchase all of the 2010C Bonds and the 2010D Bonds, if any such Bonds are purchased. The 2010C Bonds and the 2010D Bonds may be offered and sold to certain dealers at prices lower than the public offering prices of each such series of

Bonds, and such public offering prices may be changed from time to time by Barclays Capital, Inc., as representative of itself and Morgan Stanley & Co. Incorporated. Barclays Capital, Inc., as representative of itself and Morgan Stanley & Co. Incorporated may offer and sell the 2010C Bonds and the 2010D Bonds into unit investment trusts or money market funds, certain of which may be managed or sponsored by Barclays Capital, Inc. or Morgan Stanley & Co. Incorporated at prices lower than the public offering prices of such Bonds.

Merrill Lynch, Pierce, Fenner & Smith Incorporated's obligations are subject to certain conditions precedent, and Merrill Lynch, Pierce, Fenner & Smith Incorporated will be obligated to purchase all of the 2010G Bonds, the 2010H Bonds and the 2010I Bonds, if any such Bonds are purchased. The 2010G Bonds, the 2010H Bonds and the 2010I Bonds may be offered and sold to certain dealers at prices lower than the public offering prices of each such series of Bonds, and such public offering prices may be changed from time to time by Merrill Lynch, Pierce, Fenner & Smith Incorporated. Merrill Lynch, Pierce, Fenner & Smith Incorporated may offer and sell the 2010G Bonds, the 2010H Bonds and the 2010I Bonds into unit investment trusts or money market funds, certain of which may be managed or sponsored by Merrill Lynch, Pierce, Fenner & Smith Incorporated, at prices lower than the public offering prices of such Bonds.

VERIFICATION AGENTS

Upon delivery of the 2010C Bonds and the 2010D Bonds, Grant Thornton LLP, independent accountants ("Grant Thornton"), will deliver a report that the firm has verified (1) the mathematical accuracy of certain computations relating to the adequacy of the deposits to be made to the escrow accounts to pay the amounts required as described under "Description of the Bonds – Plan of Refunding – Series 2010C Bonds," and "—Series 2010D Bonds" above and (2) the computations of yield of such Bonds and of the investments in the escrow account with respect to the Refunded Bonds to be refunded by the 2010C Bonds and the 2010D Bonds. Grant Thornton will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of interest on the 2010C Bonds or the 2010D Bonds.

Upon delivery of the 2010H Bonds and the 2010I Bonds, Causey Demgen & Moore, Inc., independent accountants ("Causey"), will deliver a report that the firm has verified (1) the mathematical accuracy of certain computations relating to the adequacy of the deposits to be made to the escrow accounts to pay the amounts required as described under "Description of the Bonds – Plan of Refunding – Series 2010H Bonds" and "—Series 2010I Bonds" above and (2) the computations of yield of such Bonds and of the investments in the escrow account with respect to the Refunded Bonds to be refunded by the 2010H Bonds and the 2010I Bonds. Causey will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of interest on the 2010H Bonds or the 2010I Bonds.

FINANCIAL ADVISORS

NSB Public Finance, a division of Zions First National Bank, is serving as financial advisor to the State in connection with the 2010C Bonds and the 2010D Bonds. JNA Consulting Group, LLC is serving as financial advisor to the State in connection with the 2010G Bonds, 2010H Bonds and 2010I Bonds. The respective financial advisors have not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the State, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the financial advisors respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

AUTHORIZATION

This Official Statement and its use in connection with the offering and sale of the Bonds has been duly authorized by the State.

STATE OF NEVADA

/s/ Kate Marshall

State Treasurer

SCHEDULE I

MATURITY SCHEDULES OF REFUNDED BONDS

2010C Bonds. The proceeds of the 2010C Bonds will be used to advance refund all or any portion of the following Refunded Bonds:

Series 2001C Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Maturity or Redemption Date	Redemption Price
05/01/2011	$ 155,000	$ 155,000	4.50%	EK2	05/01/2011	100%
05/01/2012	165,000	165,000	4.60	EL0	05/01/2011	100
05/01/2013	170,000	170,000	4.70	EM8	05/01/2011	100
05/01/2014	180,000	180,000	4.80	EN6	05/01/2011	100
05/01/2015	185,000	185,000	4.90	EPI	05/01/2011	100
	$ 855,000	$ 855,000				

Series 2001A Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Maturity or Redemption Date	Redemption Price
03/01/2011	$ 1,545,000	$ 3,345,000	5.00%	FA3	03/01/2011	100%
03/01/2012	1,625,000	3,460,000	5.00	FB1	03/01/2012	100
03/01/2013	3,580,000	3,580,000	5.00	FC9	03/01/2012	100
03/01/2014	3,800,000	3,800,000	5.00	FD7	03/01/2012	100
03/01/2015	4,885,000	4,885,000	5.00	FE5	03/01/2012	100
03/01/2016	1,945,000	1,945,000	4.60	FF2	03/01/2012	100
03/01/2017	2,040,000	2,040,000	5.00	FG0	03/01/2012	100
03/01/2018	2,140,000	2,140,000	5.00	FH8	03/01/2012	100
03/01/2019	2,245,000	2,245,000	4.75	FJ4	03/01/2012	100
03/01/2020	2,360,000	2,360,000	4.75	FK1	03/01/2012	100
03/01/2021	2,475,000	2,475,000	4.75	FL9	03/01/2012	100
	$ 28,640,000	$ 32,275,000				

Series February 1, 2002A Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Maturity or Redemption Date	Redemption Price
11/01/2011	$ 1,720,000	$ 1,720,000	4.500%	LP3	11/01/2011	100%
11/01/2012	1,800,000	1,800,000	4.375	LQ1	05/01/2012	100
11/01/2013	1,880,000	1,880,000	4.500	LR9	05/01/2012	100
11/01/2014	1,965,000	1,965,000	4.625	LS7	05/01/2012	100
11/01/2015	2,065,000	2,065,000	5.000	LT5	05/01/2012	100
11/01/2016	2,170,000	2,170,000	5.000	LU2	05/01/2012	100
11/01/2017	2,280,000	2,280,000	5.000	LV0	05/01/2012	100
11/01/2018	2,400,000	2,400,000	5.000	LW8	05/01/2012	100
11/01/2019	2,520,000	2,520,000	5.000	LX6	05/01/2012	100
11/01/2020	2,650,000	2,650,000	5.000	LY4	05/01/2012	100
	$ 21,450,000	$ 21,450,000				

Series July 1, 2002A Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Maturity or Redemption Date	Redemption Price
04/01/2011	$ 2,390,000	$ 4,365,000	5.000%	MK3	04/01/2011	100%
04/01/2012	2,510,000	4,580,000	5.000	ML1	04/01/2012	100
04/01/2013	2,635,000	2,635,000	4.125	MM9	10/01/2012	100
04/01/2014	2,745,000	2,745,000	4.250	MN7	10/01/2012	100
04/01/2015	2,860,000	2,860,000	5.000	MP2	10/01/2012	100
04/01/2016	3,005,000	3,005,000	5.000	MQ0	10/01/2012	100
04/01/2017	3,150,000	3,150,000	5.000	MR8	10/01/2012	100
04/01/2018	3,315,000	3,315,000	5.000	MS6	10/01/2012	100
04/01/2019	3,475,000	3,475,000	5.000	MT4	10/01/2012	100
04/01/2020	3,650,000	3,650,000	4.750	MU1	10/01/2012	100
04/01/2021	3,825,000	3,825,000	5.000	MV9	10/01/2012	100
	$ 33,560,000	$ 37,605,000				

Series 2003A Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Maturity or Redemption Date	Redemption Price
08/01/2011	$ 4,590,000	$ 5,745,000	5.00%	SU5	08/01/2011	100%
08/01/2012	4,825,000	6,035,000	5.00	SV3	08/01/2012	100
08/01/2013	2,350,000	5,065,000	5.00	SW1	08/01/2013	100
08/01/2014	2,470,000	5,325,000	5.00	SX9	10/01/2013	100
08/01/2015	2,600,000	5,600,000	5.00	SY7	10/01/2013	100
	$ 16,835,000	$ 27,770,000				

2010D Bonds. The proceeds of the 2010D Bonds will be used to advance refund all or a portion of the following Refunded Bonds:

Series 2001B Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Maturity or Redemption Date	Redemption Price
03/01/2011	$ 790,000	$ 790,000	5.00%	FV7	03/01/2011	100%
03/01/2012	820,000	820,000	5.00	FW5	03/01/2012	100
03/01/2013	860,000	860,000	5.00	FX3	03/01/2012	100
03/01/2014	900,000	900,000	5.00	FY1	03/01/2012	100
03/01/2015	940,000	940,000	5.00	FZ8	03/01/2012	100
03/01/2016	985,000	985,000	4.60	GA2	03/01/2012	100
03/01/2017	1,030,000	1,030,000	5.00	GB0	03/01/2012	100
03/01/2018	1,080,000	1,080,000	5.00	GC8	03/01/2012	100
03/01/2019	1,135,000	1,135,000	4.75	GD6	03/01/2012	100
03/01/2020	1,195,000	1,195,000	4.75	GE4	03/01/2012	100
03/01/2021	1,255,000	1,255,000	4.75	GF1	03/01/2012	100
	$ 10,990,000	$ 10,990,000				

Series 2002C Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Maturity or Redemption Date	Redemption Price
04/01/2011	$ 370,000	$ 370,000	4.50%	NY2	04/01/2011	100%
04/01/2012	385,000	385,000	4.50	NZ9	04/01/2012	100
04/01/2013	400,000	400,000	5.00	PA2	10/01/2012	100
04/01/2014	420,000	420,000	5.00	PB0	10/01/2012	100
04/01/2015	440,000	440,000	5.00	PC8	10/01/2012	100
04/01/2016	460,000	460,000	5.00	PD6	10/01/2012	100
04/01/2017	485,000	485,000	5.00	PE4	10/01/2012	100
04/01/2018	505,000	505,000	5.00	PF1	10/01/2012	100
04/01/2019	535,000	535,000	5.00	PG9	10/01/2012	100
04/01/2020	560,000	560,000	5.00	PH7	10/01/2012	100
04/01/2021	585,000	585,000	5.00	PJ3	10/01/2012	100
04/01/2022	615,000	615,000	5.00	PK0	10/01/2012	100
	$ 5,760,000	$ 5,760,000				

Series 2003B Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Maturity or Redemption Date	Redemption Price
08/01/2011	$ 435,000	$ 2,085,000	3.500%	TP5	08/01/2011	100%
08/01/2012	450,000	2,165,000	4.000	TQ3	08/01/2012	100
08/01/2013	470,000	595,000	4.000	TR1	08/01/2013	100
	$ 1,355,000	$ 4,845,000				

Series 2010H-1 Bonds. The proceeds of the 2010H-1 Bonds will be used to advance refund all or a portion of the following Refunded Bonds:

Series 2001A-1 Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Redemption Date	Redemption Price
08/01/2012	$ 1,095,000	$ 2,140,000	5.00%	CN8	08/01/2011	100%
08/01/2013	1,145,000	2,245,000	5.00	CP3	08/01/2011	100
08/01/2014	1,210,000	2,360,000	5.00	CQ1	08/01/2011	100
08/01/2015	1,310,000	1,610,000	5.00	CR9	08/01/2011	100
	$4,760,000	$8,355,000				

Series 2010H-2 Bonds. The proceeds of the 2010H-2 Bonds will be used to advance refund all or a portion of the following Refunded Bonds:

Series 2001A-2 Bonds

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Redemption Date	Redemption Price
08/10/2012	$ 485,000	$ 485,000	6.40%	DG2	08/01/2011	100%
08/10/2013	520,000	520,000	6.40	DH0	08/01/2011	100
08/10/2014	555,000	555,000	6.50	DJ6	08/01/2011	100
08/10/2015	590,000	590,000	6.50	DK3	08/01/2011	100
08/10/2016	630,000	630,000	6.50	DL1	08/01/2011	100
08/10/2017	670,000	670,000	6.50	DM9	08/01/2011	100
	$3,450,000	$3,450,000				

Series 2010I Bonds. The proceeds of the 2010I Bonds will be used to advance refund all or a portion of the following Refunded Bonds:

Series September 1, 2001C

Maturity	Par Amount to be Refunded	Outstanding Aggregate Par Amount	Coupon	CUSIP* No. (641460)	Redemption Date	Redemption Price
08/01/2012	$ 100,000	$ 100,000	4.50%	GQ7	08/01/2011	100%
08/01/2013	100,000	100,000	4.50	GR5	08/01/2011	100
08/01/2014	100,000	100,000	4.45	GS3	08/01/2011	100
08/01/2015	105,000	105,000	4.50	GT1	08/01/2011	100
08/01/2016	110,000	110,000	4.65	GU8	08/01/2011	100
08/01/2017	120,000	120,000	4.75	GV6	08/01/2011	100
08/01/2018	125,000	125,000	4.80	GW4	08/01/2011	100
	$760,000	$760,000				

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PART I – APPENDIX A –

FORMS OF APPROVING OPINIONS OF BOND COUNSEL

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APPENDIX "A"

Form of Approving Opinions of Bond Counsel

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

$121,920,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
Series 2010C

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2010C, in the aggregate principal amount of $121,920,000 (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on November 9, 2010 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the State.

2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.

3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with the limitations of NRS 361.453.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under laws of the State in effect as of the date hereof, the Bonds, their transfer and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In expressing the opinions above, we are relying in part on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing on the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

$20,170,000
State of Nevada
General Obligation (Limited Tax)
Natural Resources and Refunding Bonds
Series 2010D

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series 2010D, in the aggregate principal amount of $20,170,000 (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on November 9, 2010 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the State.

2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.

3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with the limitations of NRS 361.453.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is

required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under laws of the State in effect as of the date hereof, the Bonds, their transfer and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In expressing the opinions above, we are relying in part on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing on the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

$4,535,000
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Matching Bonds
Series 2010G

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2010G, in the aggregate principal amount of $4,535,000 (the "Bonds"), pursuant to the order of the State Treasurer adopted on December 8, 2010, and an authorizing resolution adopted by the State Board of Finance on November 9, 2010 (collectively, the "Bond Order"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Order.

Regarding questions of fact material to our opinions, we have relied upon the State's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the State.

2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.

3. As provided in the Bond Order and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with the limitations of NRS 361.453.

4. The Bonds are additionally secured by and payable from the moneys available therefor in the Revolving Fund. The Bond Order creates a valid lien on the moneys available in the Revolving Fund pledged therein for the security of the Bonds on a parity with

any parity securities outstanding or hereafter issued, and subordinate to any superior securities outstanding or hereafter issued which have a lien on the moneys available in the Revolving Fund superior to the lien thereon securing the Bonds. Moneys in the Revolving Fund received from local governments as repayment of loan principal are not available as security for the Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the moneys available in the Revolving Fund pledged for the security of the Bonds by the Bond Order.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. Under laws of the State in effect as of the date hereof, the Bonds, their transfer and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds and the Bond Order are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not opining upon the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

State of Nevada
Capitol Building
101 N. Carson, # 4
Carson City, Nevada 89710

State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Leveraged Refunding Bonds
Series 2010H
Subseries 1 (Tax-Exempt) - $4,625,000
and
Water Pollution Control Revolving Fund Leveraged Refunding Bonds
Series 2010H
Subseries 2 (Taxable) - $3,725,000

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2010H, Subseries 1 Tax-Exempt in the aggregate principal amount of $4,625,000 (the "Tax-Exempt Bonds") and its General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2010H, Subseries 2 (Taxable) in the aggregate principal amount of $3,725,000 (the "Taxable Bonds"), pursuant to the order of the State Treasurer adopted on December 8, 2010, and an authorizing resolution adopted by the State Board of Finance on November 9, 2010 (collectively, the "Bond Order"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Order.

Regarding questions of fact material to our opinions, we have relied upon the State's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the State.

2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.

3. As provided in the Bond Order and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of

all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with the limitations of NRS 361.453.

4. The Bonds are additionally secured by and payable from the moneys available therefor in the Revolving Fund. The Bond Order creates a valid lien on the moneys available in the Revolving Fund pledged therein for the security of the Bonds on a parity with any parity securities outstanding or hereafter issued, and subordinate to any superior securities outstanding or hereafter issued which have a lien on the moneys available in the Revolving Fund superior to the lien thereon securing the Bonds. Moneys in the Revolving Fund received from local governments as repayment of loan principal are available as security for the Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the moneys available in the Revolving Fund pledged for the security of the Bonds by the Bond Order.

5. Interest on the Tax-Exempt Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Tax-Exempt Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income for corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents or certain other certifications furnished to us.

6. Interest on the Taxable Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended to the date hereof.

7. Under laws of the State in effect on the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds and the Bond Order are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

The provisions of this opinion letter concerning federal tax issues are not intended or written to be used and cannot be used by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This writing supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

In expressing the opinions above, we are relying in part on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the adequacy, accuracy or completeness of the Official Statement relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

$6,235,000
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Act Revolving Fund
Matching and Refunding Bonds
Series 2010I

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Safe Drinking Water Act Revolving Fund Matching and Refunding Bonds, Series 2010I, in the aggregate principal amount of $6,235,000 (the "Bonds"), pursuant to the order of the State Treasurer adopted on December 8, 2010, and an authorizing resolution adopted by the State Board of Finance on November 9, 2010 (collectively, the "Bond Order"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Order.

Regarding questions of fact material to our opinions, we have relied upon the State's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the State.

2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.

3. As provided in the Bond Order and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with the limitations of NRS 361.453.

4. The Bonds are additionally secured by and payable from the moneys available therefor in the Revolving Fund. The Bond Order creates a valid lien on the moneys

available in the Revolving Fund pledged therein for the security of the Bonds on a parity with any parity securities outstanding or hereafter issued, and subordinate to any superior securities outstanding or hereafter issued which have a lien on the moneys available in the Revolving Fund superior to the lien thereon securing the Bonds. Moneys in the Revolving Fund received from local governments as repayment of loan principal are not available as security for the Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the moneys available in the Revolving Fund pledged for the security of the Bonds by the Bond Order.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income for corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. Under laws of the State in effect as of the date hereof, the Bonds, their transfer and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds and the Bond Order are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In expressing the opinions above, we are relying in part on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not opining upon the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

PART I – APPENDIX B –

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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APPENDIX "B"

Form of Disclosure Dissemination Agent Agreement

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of December 21, 2010, is executed and delivered by the State of Nevada (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Annual Filing Date" means the date, set in Section 2(a) and Section 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual

Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means the Treasurer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (i) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (ii) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Exhibit A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports and Other Disclosures.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2011. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, without reference to the anticipated filing date for the Annual Report.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds."

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. “Defeasances;”

10. “Release, substitution, or sale of property securing repayment of the securities, if material;”

11. “Rating changes;”

12. “Tender offers;”

13. “Bankruptcy, insolvency, receivership or similar event of an Obligated Person;”

14. “Merger, consolidation, or acquisition of an Obligated Person, if material;” and

15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”

2. “change in Obligated Person;”

3. “notice to investors pursuant to bond documents;”

4. “certain communications from the Internal Revenue Service;”

5. “secondary market purchases;”

6. “bid for auction rate or other securities;”

7. “capital or other financing plan;”

8. “litigation/enforcement action;”

9. “change of tender agent, remarketing agent, or other on-going party;”

10. “derivative or other similar transaction;” and

11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”

2. “change in fiscal year/timing of annual disclosure;”

3. “change in accounting standard;”

4. “interim/additional financial information/operating data;”

5. “budget;”

6. “investment/debt/financial policy;”

7. “information provided to rating agency, credit/liquidity provider or other third party;”

8. “consultant reports;” and

9. “other financial/operating data.”

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information in tables marked with an asterisk on page iii of the Official Statement.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP"). If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

    Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof.

SECTION 5. <u>CUSIP Numbers</u>. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. <u>Additional Disclosure Obligations</u>. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. <u>Voluntary Filings</u>.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section

7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Issuer is no longer an Obligated Person, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC’s services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable, until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days prior written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The Disclosure Dissemination Agent consents to the jurisdiction of the Nevada district courts for enforcement of the this Disclosure Agreement.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Disclosure Dissemination Agent

By:____
Name: ______________________________________
Title: _______________________________________

STATE OF NEVADA
as Issuer

By:____
Name: ______________________________________
Title: _______________________________________

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

$121,920,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
Series 2010C

Base CUSIP: 641461

Maturity Date (June 1)	Principal Amount	Interest Rate	CUSIP Suffix
2013	$1,250,000	3.000%	NG9
2014	1,555,000	5.000	NH7
2015	3,705,000	5.000	NJ3
2016	3,555,000	4.000	NK0
2017	19,385,000	5.000	NL8
2018	29,705,000	5.000	NM6
2019	23,140,000	5.000	NN4
2020	21,465,000	5.000	NP9
2021	2,035,000	5.000	NQ7
2022	1,690,000	5.000	NR5
2023	1,775,000	5.000	NS3
2024	1,860,000	5.000	NT1
2025	1,955,000	5.000	NU8
2026	2,050,000	5.000	NV6
2027	2,155,000	5.000	NW4
2028	2,265,000	5.000	NX2
2029	2,375,000	5.000	NY0

$20,170,000
State of Nevada
General Obligation (Limited Tax)
Natural Resources and Refunding Bonds
Series 2010D

Base CUSIP: 641461

Maturity Date (June 1)	Principal Amount	Interest Rate	CUSIP Suffix
2015	$180,000	3.000%	NZ7
2016	185,000	3.000	PA0
2017	4,195,000	5.000	PB8
2018	4,400,000	5.000	PC6
2019	4,625,000	5.000	PD4
2020	4,890,000	4.500	PE2
2030	790,000	4.875	PF9
2038	905,000	5.100	PG7

$4,535,000
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Matching Bonds
Series 2010G

Base CUSIP: 641461

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Suffix
2011	$380,000	2.500%	PH5
2012	390,000	3.000	PJ1
2013	405,000	3.000	PK8
2014	420,000	5.000	PL6
2015	440,000	5.000	PM4
2016	460,000	4.000	PN2
2017	480,000	4.000	PP7
2018	500,000	4.000	PQ5
2019	520,000	4.000	PR3
2020	540,000	4.000	PS1

$8,350,000
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Leveraged Refunding Bonds
Series 2010H
Subseries 1 (Tax-Exempt) $4,625,000
Subseries 2 (Taxable) $3,725,000

Base CUSIP: 641461

Subseries 1 (Tax-Exempt)

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Suffix
2012	$1,065,000	5.000%	PT9
2013	1,110,000	5.000	PU6
2014	1,175,000	5.000	PV4
2015	1,275,000	5.000	PW2

Subseries 2 (Taxable)

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Number
2014	$1,800,000	3.252%	NE4
2017	1,925,000	4.422	NF1

$6,235,000
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund Matching and Refunding Bonds
Series 2010I

Base CUSIP: 641461

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Suffix
2011	$270,000	3.000%	PX0
2012	380,000	4.000	PY8
2013	390,000	4.000	PZ5
2014	405,000	5.000	QA9
2015	420,000	4.000	QB7
2016	440,000	4.000	QC5
2017	465,000	4.000	QD3
2018	480,000	4.000	QE1
2019	375,000	4.000	QF8
2020	390,000	3.750	QG6
2025	2,220,000	4.500	QH4

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: **State of Nevada**

Name of Bond Issue: ___________________

Date of Issuance: **December 21, 2010**

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____________.

Dated: _________________________________

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Issuer

____

cc: Issuer
Obligated Person

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PART I – APPENDIX C –

BOOK-ENTRY SYSTEM

The information contained on this Appendix has been extracted from a document prepared by DTC, entitled "SAMPLE OFFICIAL STATEMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE."

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of Bonds, in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership.

DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying agent, or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the State or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but the State takes no responsibility for the accuracy thereof.

PART II

INFORMATION CONCERNING THE STATE OF NEVADA

Part II of this Official Statement contains information concerning the State, including constitutional and statutory authorizations of debt and applicable debt limitations, information related to bonds currently issued and outstanding, as well as bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information, and supplements the information contained in the other parts of this Official Statement. This Official Statement, including the covers, the inside covers, Part I and the appendices thereto, this Part II and the appendices hereto, and any financial statements expressly incorporated herein by reference, should be read in its entirety.

The Section in this Part II titled "FINANCIAL INFORMATION" sets forth information relating to the State's recent historical and current financial condition as well as budget information and revenue forecasts for FY 2011, 2012, and 2013. The Section titled "FINANCIAL INFORMATION—State General Fund Revenue Sources" identifies certain revenue enhancements and reallocations that were approved by the State Legislature in the 2009-2011 biennial session and the 26th Special Session held in January 2010 during the process of establishing a balanced budget in the face of weakened economic projections. The Section titled "FINANCIAL INFORMATION—Recent Developments in State Revenues, Revenue Forecasts and Budgets" summarizes the State's responses to the economic slowdown, including budget reductions, capital spending deferrals and redirection of funds. The Section titled "FINANCIAL INFORMATION—2011-2013 Biennial Budget Outlook" describes challenges facing the State in balancing its budget in the upcoming two-year biennium for 2011-2013 and describes the budgetary tools available for the State which it can use to meet its budget.

The most recent projections of State revenues are reflected in the Economic Forum Forecast dated December 1, 2010, attached as Appendix C to Part II of this Official Statement. At this time, the Economic Forum described herein has made no revenue projections beyond June 30, 2013. No assurances can be given that the December 1, 2010 Economic Forum Forecast will accurately reflect the revenues actually received by the State during the 2011-2013 biennium, or that the projections will not further change. Updated revenue figures will periodically be made available by the State.

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LIST OF TABLES

* Annual financial information to be updated annually pursuant to SEC Rule 15c2-12.

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GOVERNMENT STRUCTURE

Nevada's Constitution was approved in 1864 and has been amended from time to time. The Constitution provides for three branches of government: legislative, executive and judicial. The legislative branch is made up of a Senate and an Assembly. State Senators are elected for four-year terms, and members of the State Assembly are elected for two-year terms.

The State Legislature convenes biennially in odd-numbered years. The last biennial legislative session recessed on June 2, 2009. Special sessions of the State Legislature may be convened by the Governor. The State Legislature held a special session in January 2010. The State Legislature is expected to convene next on February 7, 2011.

There are 21 Senators and 42 members of the Assembly. Nevada's elected Constitutional officers are the Governor, Lieutenant Governor, Secretary of State, Treasurer, Controller, and Attorney General, all of whom are elected for four-year terms. All Constitutional officers are limited to two terms. Supreme Court justices are elected on a non-partisan ballot for six-year terms.

Following the election on November 2, 2010, the following are the State's Constitutional officers:

Office	Name	Political Party Affiliation	Term First Commenced	Term Expires
Governor	Jim Gibbons[(1)]	Republican	2007	2011
Lieutenant Governor	Brian K. Krolicki	Republican	2007	2015
Secretary of State	Ross Miller	Democrat	2007	2015
Treasurer	Kate Marshall	Democrat	2007	2015
Controller	Kim R. Wallin	Democrat	2007	2015
Attorney General	Catherine Cortez Masto	Democrat	2007	2015

(1) The term of the recently elected Governor, Brian Sandoval, will begin in January 2011.

The Board of Finance, consisting of the Governor, the Treasurer, the Controller, and two additional members appointed by the Governor, may issue and redeem securities on behalf of the State, when authorized by law, as provided in Nevada Revised Statutes ("NRS"), Sections 349.150 through 349.364.

County governments in Nevada are managed by boards of county commissioners or the equivalent. There are 17 counties in the State. Cities are governed by general acts, and 13 of the cities are also governed by special charters granted by the State Legislature.

Representation in the United States Congress is by two Senators and three Representatives.

As of October 1, 2010, there were approximately 16,939 permanent and non-permanent (emergency, provisional and temporary) full-time equivalent State employees excluding employees of the University System, courts and legislature. The State does not have collective bargaining agreements with employee unions. As of October 1, 2010, approximately 3,753 State employees were members of voluntary employee/labor organizations that represent the interests of their members. The State considers its relations with its employees to be satisfactory.

DEBT STRUCTURE

Constitutional Debt Limitation

The Constitution of the State (Article 9, Section 3) limits the aggregate principal amount of the State's general obligation debt to 2% of the total reported assessed valuation of the State. The limitation does not apply to general obligation debt that is incurred for the protection and preservation of any property or natural resources of the State or for the purpose of obtaining the benefits thereof. The limitation does not apply to revenue bonds or contingent liabilities, nor does it apply to lease purchase arrangements the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds, more fully described in Note 8 to the State's Comprehensive Annual Financial Report (excluding the statistical section) for FY 2009 included in Appendix A to this Part II (the "2009 Financial Statements") and under the heading "DEBT STRUCTURE — Lease-Backed Financings" in this Part II. Such lease obligations are not considered debt under the Constitution and State law.

Debt limitation information is reported in Table 1. The assessed valuation amount effective as of June 30 of a particular year is used for purposes of determining property taxes and the applicable debt limitation for the following fiscal year. The assessed valuation constitutes 35% of the taxable value of all taxable property within the State and may be adjusted from time to time during the course of a fiscal year and if the assessed valuation is so adjusted, the debt limitation would also be adjusted. The assessed valuation effective as of June 30, 2010 set forth in Table 1 is the most current assessed value available and will be applicable for determining the debt limitation during FY 2011 and FY 2012, subject to adjustment as described above. See "PROPERTY TAXATION" in this Part II.

Subject to the State's constitutional debt limitation, the State Legislature may authorize the issuance of bonds or other securities by the State or any of its departments, divisions, agencies, political subdivisions, or other governmental agencies for any public purpose. In the case of the State, it is common for the State Legislature to authorize the issuance of bonds and other securities by a special act in a maximum principal amount for a specified project or projects, rather than by general act for a number of general purposes.

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval.

Table 1
Constitutional Debt Limitation[1]

Effective June 30	Assessed Valuation[2]	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2007	$ 137,842,453,547	$ 2,756,849,071	$ 1,001,570,000	$ 1,755,279,071
2008	148,156,208,281	2,963,124,166	1,202,660,000	1,760,464,166
2009	124,106,898,966	2,482,137,979	1,395,325,000	1,086,812,979
2010	95,018,324,064[3]	1,900,366,481	1,383,690,000	516,676,481
2011	95,018,324,064[3]	1,900,366,481	1,366,815,000[4]	533,551,481

(1) Does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds described in Note 8 to the 2009 Financial Statements, and "DEBT STRUCTURE - Lease-Backed Financings" in this Part II.

(2) For purposes of calculating the State's debt limitation on June 30 of each year, the assessed valuation figures include state-wide redevelopment agency assessed valuations in the amounts of: 2007-$2,480,502,229; 2008-$3,592,598,970; 2009-$4,610,464,128; 2010-$4,446,650,992 and 2011-$2,324,227,437. On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year.

(3) The assessed valuation as reported by the State Department of Taxation on July 15, 2010 is used to report FY 2011 and FY 2012.

(4) Debt outstanding as of November 1, 2010. This table does not reflect the planned issuance of the Bonds and refunding of the Refunded Bonds described in Part I of this Official Statement.

Source: State of Nevada Controller.

The assessed valuation set forth in Table 1 effective as of June 30 of a particular year corresponds to the assessed value set forth in Table 4 for the following fiscal year (the fiscal year to which the June 30 assessed valuations apply), adjusted for state-wide redevelopment agency assessed valuations, which are included in the assessed valuation amount in Table 1 but are excluded from the assessed value amount in Table 4.

Outstanding General Obligation Bonds

The following table presents the outstanding general obligation indebtedness of the State. Certain general obligation indebtedness of the State is subject to the State's constitutional debt limitation, and certain general obligation indebtedness of the State is exempt from the State's constitutional debt limitation. Table 2 identifies those bonds that are subject to the limitation and those bonds that are exempt from the limitation separately. See "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II for a discussion of the State's constitutional debt limitation, and bonds included and excluded therefrom.

In addition, certain general obligation indebtedness of the State (whether or not subject to the State's constitutional debt limitation) is categorized as "self-supporting" (referred to herein as the "self-supporting bonds"). The self-supporting bonds are expected to be paid in whole from revenues other than the state-wide property tax. General obligation bonds that are categorized as self-supporting bonds are identified by an asterisk in Table 2, and the outstanding balance of such bonds is identified in a subgroup in Table 2.

There are also certain general obligation bonds of the State that are expected to be paid in part from property taxes and in part from other sources. These bonds are not characterized as "self-supporting bonds" (because they are not expected to be paid in whole from other revenues) and are identified by two asterisks in Table 2.

If the revenues that are expected to be used to pay the self-supporting bonds or the portion of the bonds that are not characterized as self-supporting bonds but expected to be paid from other sources are insufficient, the State is obligated to pay any deficiency from state-wide property taxes or from the State's General Fund.

The State levies a state-wide property tax to repay its general obligation bonds (other than the bonds listed in Table 2 under "Self-Supporting Debt Outstanding" and the portion of the bonds that are expected to be paid from other sources but are not characterized as self-supporting bonds). See "PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in this Part II.

Table 2 presents information as of November 1, 2010, and does not include the planned issuance of the Bonds and refunding of the Refunded Bonds described in this Official Statement. See "DESCRIPTION OF THE BONDS—Plan of Refunding" in Part I of this Official Statement for a description of the bonds listed in Table 2 that will be refunded in whole or in part by the Bonds.

See also "Security for State General Obligation Bonds" in this Part II.

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Table 2
Outstanding General Obligation Bonds[(1)]
(As of November 1, 2010)

	Subject to Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
	Refunding Bonds	07/15/97	A-1	$68,805,000	$15,135,000
	Cultural Affairs Bonds	05/01/01	C	2,000,000	855,000
	Capital Improvement and Refunding Bonds	09/01/01	A	54,430,000	32,275,000
	Capital Improvement and Refunding Bonds	02/01/02	A	48,895,000	21,450,000
	Capital Improvement, Cultural Affairs and Refunding Bonds	07/01/02	A	60,915,000	37,605,000
*	Truckee Meadows Community College Bonds	07/01/02	B	8,500,000	5,775,000
	Open Space, Parks and Cultural Resources Bonds	07/01/03	E	61,210,000	44,030,000
	Capital Improvement, Cultural Affairs and Refunding Bonds	10/01/03	A	92,380,000	68,685,000
	Capital Improvement, Cultural Affairs and Refunding Bonds	08/01/04	A	127,955,000	64,665,000
	Capital Improvement, Cultural Affairs and Refunding Bonds	04/01/05	A	246,875,000	205,060,000
	Open Space, Parks and Cultural Resources Bonds	04/01/05	C	6,100,000	5,510,000
*	University System Refunding Bonds	04/01/05	G	40,580,000	33,805,000[(2)]
	Capital Improvement, Parks and Cultural Affairs Bonds	09/14/05	J	36,000,000	30,825,000
	Cultural Affairs Bonds	07/18/06	C	2,925,000	2,460,000
	Capital Improvement Bonds	11/29/06	E	149,990,000	137,505,000
	Capital Improvement and Cultural Affairs Bonds	07/12/07	B	267,270,000	257,960,000
	Capital Improvement and Cultural Affairs Bonds	07/31/08	C	279,825,000	279,825,000
	Open Space, Parks and Cultural Resources Bonds	07/31/08	E	7,500,000	7,500,000
	Capital Improvement Bonds	11/17/09	A	68,000,000	68,000,000[(6)]
	Capital Improvement, Cultural Affairs and Refunding Bonds	11/17/09	B	34,990,000	34,990,000
	Open Space, Parks and Cultural Resources Bonds	11/17/09	D	5,000,000	5,000,000
	Juvenile Treatment Facility Project Refunding Certificates	12/10/09		7,900,000	7,900,000[(7)]
	TOTAL				**$ 1,366,815,000**

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	Exempt from Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
*	Municipal Bond Bank Project Nos. 57-64	06/01/97	A	$285,490,000	$1,755,000(5)
	Refunding Bonds	07/15/97	A-2	12,285,000	2,135,000
*	Municipal Bond Bank Project Nos. 66 and 67	07/01/98	A	315,000,000	21,350,000(5)
*	Water Pollution Control Revolving Fund Matching Bonds	07/01/98	D	3,275,000	670,000
*	Water Pollution Control Revolving Fund Matching Bonds	09/01/99	C	1,320,000	265,000
*	Water Pollution Control Revolving Fund Matching Bonds	07/01/00	C	1,315,000	165,000
*	Municipal Bond Bank Project Nos. 69, 70 and 71	12/01/00	B	15,595,000	9,985,000(5)
*	Water Pollution Control Revolving Fund Leveraged & Refunding Bonds	05/01/01	A-1	28,720,000	16,540,000
*	Water Pollution Control Revolving Fund Leveraged & Refunding Bonds	05/01/01	A-2	7,020,000	3,910,000
*	Water Pollution Control Revolving Fund Matching & Refunding Bonds	05/01/01	B	4,625,000	385,000
	Natural Resources Bonds	09/01/01	B	16,200,000	10,990,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	09/01/01	C	1,560,000	860,000
*	Colorado River Commission Hoover Uprating Refunding Bonds	10/01/01		6,305,000	6,305,000(4)
**	Fish Hatchery Improvement and Reservoir Refunding Bonds	02/01/02	B	4,285,000	300,000
*	Municipal Bond Bank Project Nos. 72, 73 and 74	02/01/02	C	9,015,000	5,365,000(5)
	Natural Resources Bonds	07/01/02	C	8,000,000	5,760,000
*	Municipal Bond Bank Project Nos. 75 and 76	07/01/02	D	5,000,000	3,620,000(5)
*	Colorado River Commission Hoover Uprating Refunding Bonds	07/09/02		36,420,000	26,165,000(4)
*	Water Refunding Bonds	07/01/03	C	21,515,000	155,000(3)
	Open Space, Parks and Natural Resources	07/01/03	F	31,310,000	23,855,000
**	Natural Resources and Refunding Bonds	10/01/03	B	19,800,000	12,225,000
*	Water Pollution Control Revolving Fund Matching Bonds	11/01/03	G	2,665,000	900,000
*	Water Pollution Control Revolving Fund Leveraged Bonds	11/01/03	H	63,500,000	50,500,000
*	Municipal Bond Bank Project Nos. 77, 78, 79, R-7 and R-8	11/01/03	I	35,465,000	12,070,000(5)
*	Safe Drinking Water Act Revolving Fund Matching Bonds	11/01/03	J	3,300,000	1,970,000
**	Natural Resources and Refunding Bonds	08/01/04	B	40,705,000	25,475,000
**	Natural Resources and Refunding Bonds	04/01/05	B	26,655,000	22,755,000
	Open Space, Parks and Natural Resources Bonds	04/01/05	D	5,000,000	4,715,000
*	Safe Drinking Water Act Revolving Fund Matching and Refunding Bonds	04/01/05	E	8,085,000	6,730,000
*	Colorado River Commission Water Refunding Bonds	04/13/05	H	36,130,000	31,620,000(3)
*	Colorado River Commission Power Delivery Project Refunding Bonds	04/13/05	I	65,300,000	60,330,000(3)
*	Municipal Bond Bank Project Nos. R-9A, R-9B, R-9C, R-10, R-11 and R-12	05/17/05	F	272,560,000	254,155,000(5)
	Natural Resources Bonds	09/14/05	K	7,000,000	5,605,000
	Open Space, Parks and Natural Resources Bonds	09/14/05	L	2,000,000	1,640,000
*	Water Pollution Control Revolving Fund Matching Bonds	09/14/05	M	1,960,000	1,090,000
	Open Space, Parks and Natural Resources Bonds	07/18/06	A	22,000,000	18,835,000
**	Natural Resources Bonds	07/18/06	B	16,000,000	14,810,000
*	Water Refunding Bonds	07/18/06	D	111,840,000	92,290,000(3)
	Natural Resources and Refunding Bonds	11/29/06	F	12,665,000	9,845,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	11/29/06	G	3,305,000	2,875,000
	Natural Resources Bonds	07/12/07	A	19,500,000	18,320,000
	Open Space, Parks and Natural Resources Bonds	07/12/07	C	4,500,000	4,185,000
**	Natural Resources Bonds	04/22/08	A	22,545,000	21,280,000
	Open Space, Parks and Natural Resources Bonds	04/22/08	B	10,000,000	9,370,000
	Natural Resources Bonds	07/31/08	D	13,000,000	13,000,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	07/31/08	F	3,330,000	2,760,000
	Natural Resources and Refunding Bonds	11/17/09	C	14,680,000	14,680,000
	Open Space, Parks and Natural Resources Bonds	11/17/09	E	8,240,000	8,240,000
	Natural Resources Bonds	06/24/10	A	4,675,000	4,675,000
*	Water Refunding Bonds	06/24/10	B	7,405,000	7,405,000(3)
	TOTAL				**$874,885,000**

GROSS GENERAL OBLIGATION BONDED DEBT (GROSS DIRECT DEBT)		$2,241,700,000
LESS: Self-Supporting Debt Outstanding		
University System Refunding Bonds(2)	$ 33,805,000	
Colorado River Commission Water Bonds(3)	191,800,000	
Colorado River Commission Hoover Uprating Bonds(4)	32,470,000	
Municipal Bond Bank Bonds(5)	308,300,000	
Water Pollution Control Revolving Fund Bonds	74,425,000	
Safe Drinking Water Act Revolving Fund Bonds	15,195,000	
Truckee Meadows Community College Bonds	5,775,000	
TOTAL SELF-SUPPORTING DEBT		$ 661,770,000
NET DIRECT DEBT		$1,579,930,000

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* Self-supporting.

** Not reflected as self-supporting bonds. These bonds are expected to be paid in part from revenues other than state-wide property taxes.

(1) Does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds described in Note 8 to the 2009 Financial Statements, and "DEBT STRUCTURE-Lease-Backed Financings" in this Part II. Also not included are the industrial development revenue bonds of the Department of Business and Industry and the Nevada Housing Division, a separate agency of the Department of Business and Industry, which bonds do not constitute a debt of the State and are self-supporting. This table does not reflect the planned issuance of the Bonds and refunding of the Refunded Bonds described in this Official Statement.

(2) Also secured by pledged revenues derived from an annual tax on slot machines.

(3) Also secured by net pledged revenues generated by the sale and other utilization of water in southern Nevada. The State believes that the net pledged revenues will be sufficient to pay debt service on the bonds; if they are not, the State is obligated to pay the difference between the net pledged revenues and the debt service requirements of the bonds from state-wide property taxes or the State's General Fund.

(4) Also secured by net pledged revenues generated by the sale of hydroelectric power at Hoover Dam.

(5) Expected to be self-supporting due to principal and interest payments on local government obligations purchased by the State through its Bond Bank Program.

(6) Issued as Build America Bonds.

(7) This facility is currently vacant because of declining rolls in the juvenile justice system and because it is more efficient to consolidate housing juveniles in the State's other facilities.

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Source: State of Nevada Controller.

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Debt Service on General Obligation Bonds

The following table reports the debt service requirements for all of the State's Outstanding general obligation bonds, including the debt service requirements for the self-supporting bonds. This table presents information as of November 1, 2010. See Table 9 for the annual debt service requirements for only the State's Outstanding general obligation bonds paid from state-wide property taxes.

Table 3
Annual Debt Service Requirements[1]
(As of November 1, 2010)

	General Obligation Bonds[2]		Self-Supporting General Obligation Bonds		
Fiscal Year	**Principal**	**Interest**[3]	**Principal**	**Interest**	**Grand Total**
2011	$ 90,805,000	$ 57,038,224	$ 14,180,000	$ 23,168,303	$ 185,191,527
2012	87,150,000	72,342,755	38,930,000	30,851,185	229,273,940
2013	101,020,000	68,074,442	40,385,000	28,912,341	238,391,783
2014	104,125,000	63,221,951	43,055,000	26,872,876	237,274,826
2015	102,415,000	58,134,755	44,465,000	24,716,881	229,731,636
2016	91,050,000	53,109,891	45,675,000	22,507,747	212,342,638
2017	97,865,000	48,659,049	46,410,000	20,235,981	213,170,030
2018	93,535,000	43,875,728	41,000,000	18,057,767	196,468,495
2019	96,570,000	39,324,563	34,425,000	16,205,747	186,525,310
2020	82,655,000	34,705,582	35,285,000	14,512,506	167,158,088
2021	84,975,000	30,719,970	33,680,000	12,791,841	162,166,811
2022	80,735,000	26,420,194	33,130,000	11,137,103	151,422,297
2023	83,880,000	22,449,189	34,640,000	9,498,269	150,467,458
2024	85,190,000	18,165,255	35,990,000	7,776,934	147,122,189
2025	87,745,000	14,061,462	31,575,000	6,109,561	139,491,023
2026	87,790,000	9,521,746	33,960,000	4,495,415	135,767,161
2027	89,795,000	5,020,037	35,440,000	2,798,355	133,053,392
2028	14,125,000	1,735,922	37,180,000	1,555,800	54,596,722
2029	9,905,000	1,000,657	1,630,000	73,625	12,609,282
2030	940,000	430,000	735,000	17,456	2,122,456
2031	995,000	383,000			1,378,000
2032	1,040,000	333,250			1,373,250
2033	1,090,000	281,250			1,371,250
2034	1,150,000	226,750			1,376,750
2035	1,205,000	169,250			1,374,250
2036	1,265,000	109,000			1,374,000
2037	445,000	45,750			490,750
2038	470,000	23,500			493,500
Total	$1,579,930,000	$669,583,121	$661,770,000	$282,295,693	$3,193,578,814

(1) Table does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds described in Note 8 to the 2009 Financial Statements and "STATE OF NEVADA DEBT STRUCTURE-Lease-Backed Financings" in this Part II. Numbers may not add due to rounding.

(2) This table includes debt service on the State's general obligation bonds that are expected to be paid in part from other sources and payments to be made by the State relating to the State of Nevada General Obligation Certificates (Secure Juvenile Treatment Facility Project) Series 2009 executed and delivered by the Nevada Real Property Corporation.

(3) These interest payments include the full interest payments due on the State's general obligation bonds that have been issued as Build America Bonds, including interest that is expected to be reimbursed from the federal government. See "—Build America Bonds" in this Part II.

Source: State of Nevada Treasurer's Office.

The following table reports statistical and debt ratio information for FY 2007, 2008, 2009, 2010 and 2011 (as of November 1, 2010 for FY 2011).

Table 4
Direct General Obligation Debt Ratios
(As of November 1, 2010)

Fiscal Year	2007	2008	2009	2010	2011
Population	2,718,337	2,738,733	2,711,206	2,641,413[8]	2,640,161[8]
Assessed Value (000)[1]	$114,499,166	$134,249,855	$143,545,744	$119,660,248	$92,694,097[6]
Taxable Value (000)[1][2]	$327,140,473	$383,571,013	$410,130,697	$341,886,423	$264,840,277
Gross Direct G.O. Debt (000)[3][4]	$2,213,511	$2,155,125	$2,315,460	$2,279,505	$2,241,700[7]
Gross G.O. Debt Relative To:					
Per Capita	$814.29	$786.91	$854.03	$862.99	$849.08
Percent of Assessed Value	1.93%	1.61%	1.61%	1.90%	2.42%
Percent of Taxable Value	0.68%	0.56%	0.56%	0.67%	0.85%
Net Direct G.O. Debt (000)[4][5]	$1,148,051	$1,390,055	$1,587,915	$1,594,530	$1,579,930[7]
Net G.O. Debt Relative To:					
Per Capita	$422.34	$507.55	$585.69	$603.67	$598.42
Percent of Assessed Value	1.00%	1.04%	1.11%	1.33%	1.70%
Percent of Taxable Value	0.35%	0.36%	0.39%	0.47%	0.60%

(1) The assessed value set forth in Table 4 corresponds to the assessed value set forth in Table 1 effective as of June 30 of the prior fiscal year, but excludes state-wide redevelopment agency assessed valuations, which are included in the assessed valuation amount in Table 1.
(2) See "PROPERTY TAXATION—Property Tax Base and Tax Roll Collection" for the definitory "Taxable Value."
(3) Gross Direct General Obligation Debt includes all State general obligation bonds, including the self-supporting bonds and the bonds expected to be paid in part from other sources but not identified as self-supporting bonds.
(4) Net Direct General Obligation Debt does not include the self-supporting bonds, but does include the bonds that are expected to be paid in part from other sources but not identified as self-supporting bonds.
(5) Does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds described in Note 8 to the 2009 Financial Statement and "DEBT STRUCTURE - Lease-Backed Financings" in this Part II.
(6) The assessed valuation as reported by the State Department of Taxation on July 15, 2010.
(7) Debt Outstanding as of November 1, 2010. This table does not include the planned issuance of the Bonds and refunding of the Refunded Bonds described in this Official Statement.
(8) FY 2010 and FY 2011 projections from The Nevada State Demographer's Office report of October 2010.

Note: In a new year, the only table that reports the coming fiscal year assessed value is Table 1. All other tables use the current fiscal year assessed value, and in the case of Table 4, the current year projected population. This is because the gross direct debt is as of a current fiscal year date.

Source: State of Nevada Controller.

Authorized But Unissued General Obligation Bonds

Authorizations for General Obligation Bonds that are Not Categorized as Self-Supporting

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval. At November 1, 2010, the State was authorized to issue the general obligation bonds described below that will be payable solely from property taxes. The available bond issuance authority set forth below does not reflect the planned issuance of bonds described in this Official Statement.

Water System Projects

NRS 349.986 (AB 198) authorizes the issuance of general obligation securities for the purpose of providing grants to purveyors of water, subject to a limit of $125,000,000 in principal amount outstanding at any one time, of which $82,792,752 is currently outstanding. The amount currently available to be issued is $42,207,248. A portion of this authorization will be allocated to the 2010D Bonds.

Lake Tahoe Basin Project

The State Legislature for the purpose of carrying out certain environmental improvement projects for the Lake Tahoe Basin provided for by the State authorized the issuance of general obligation bonds in the amounts of $100,000,000 in 2009, of which $4,420,000 has been issued.

Capital Improvement Projects

The State Legislature authorized $143,910,314 in general obligation bonds for capital improvement projects, of which $75,000,000 has been issued. A portion of the authorization will be allocated to the 2010C Bonds.

Transportation

The State Legislature authorized $15,000,000 in general obligation bonds for the construction, reconstruction, improvement and maintenance of highways. None of the authorized bonds have been issued.

Energy Retrofit Projects

NRS 338.1906 authorizes not more than $15,000,000 to be outstanding at any one time in general obligation securities for approved energy retrofit projects, none of which is outstanding. The State has no current expectation of utilizing this authorization.

Historic Preservation and Cultural Resource Projects

NRS 233C.225 authorizes the issuance of up to $3,000,000 in general obligation bonds annually to provide financial assistance to certain governmental entities and nonprofit organizations for preserving or protecting historical buildings to be used to develop a network of cultural centers and activities.

Open Space, Parks and Natural Resources Projects

The registered voters of the State approved Question 1 (authorized by Assembly Bill 9 of the 17th special session) on November 5, 2002, authorizing general obligation bonds to be issued in an amount not to exceed $200,000,000 to preserve water quality, protect open space, lakes, rivers, wetlands, and wildlife habitat; and restore and improve parks, recreational areas, and historic and cultural resources ("Q1 Authorization"). The remaining portion of this authorization is $6,080,000 for the Division of State Parks, $3,260,000 for the Division of Wildlife, $2,000,000 to establish a museum at the Las Vegas Springs Preserve, $2,000,000 for the Washoe County Truckee

River Project, and $22,400,000 to provide grants for agencies, local governments or qualifying private nonprofit organizations.

Authorizations for General Obligation Bonds for Revenue Generating Programs

In addition to the authorizations described above, the State is authorized to issue general obligation bonds that are payable from property taxes but are expected to be paid from sources other than property taxes, including bonds payable from water and power sales and bonds payable from loan repayments by municipalities. Table 2 reports the principal amount of bonds expected to be paid from sources other than property taxes. Substantial additional amounts of bonds expected to be paid from sources other than property taxes are expected to be issued in the future. Following are brief summaries of the major State programs that have authority to obligate the State's general obligation credit for revenue generating self-supporting programs.

Nevada Municipal Bond Bank

The State's Bond Bank Program (the "Bond Bank Program") was established to assist municipalities in undertaking local projects that foster and promote the protection and preservation of the property and natural resources of the State by making loans that might not be otherwise available to such municipalities or that might be available only at prohibitive interest rates. State general obligation securities issued for the Bond Bank Program are not subject to the Constitutional debt limit described under "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II. The Bond Bank Act provides a statutory limitation of $1.8 billion of State general obligation securities which may be outstanding at any time to finance loans to municipalities. This limit may be increased or decreased by the State Legislature. The Board of Finance must approve the issuance of State general obligation and revenue securities under the Bond Bank Act. The outstanding principal amount of State general obligation securities issued under the Bond Bank Act was $308,300,000 as of November 1, 2010. State general obligation bonds issued pursuant to the Bond Bank Act are considered by the State to be self-supporting, as described under the heading "DEBT STRUCTURE—Outstanding General Obligation Bonds" in this Part II. Nevertheless, if revenues from the Bond Bank payors described below are insufficient to pay amounts due with respect to such bonds, the State is obligated to pay any deficiency from state-wide property taxes or the State's General Fund as described in this Part II under the heading "DEBT STRUCTURE—Security For State General Obligation Bonds."

The State Treasurer is the Administrator (the "Administrator") of the Bond Bank. Bond Bank Act loans are made by the Administrator by purchasing securities which are obligations of one of the State's "municipalities" (i.e., cities, counties, districts and certain water authorities organized as political subdivisions). A municipality must obtain whatever authorization is required by statute, including, in some cases, approval of its electorate, before it may issue general obligation securities, and such securities are subject to all statutory restrictions, including local indebtedness limitations. The Bond Bank Act does not, in and of itself, authorize the issuance of general obligation securities by the municipalities. Both State general obligation securities issued under the Bond Bank Act and municipality general obligation securities purchased in connection with a lending project may, but need not be, additionally secured with other pledged revenues.

Under the Bond Bank Act, the State is also permitted to issue general obligation bonds to purchase revenue securities issued by a water authority for a purpose related to natural resources, subject to satisfying certain conditions.

The Bond Bank Act also authorizes the Bond Bank to issue revenue bonds to purchase local government obligations for any purpose permitted by law (subject to certain exceptions). Revenue bonds issued to acquire such local government obligations would not be general obligations of the State, and would be secured solely by repayments of local bonds and certain revenues distributable by the State to the local governments. As of the date of this Official Statement, no such revenue bonds have been issued pursuant to this program.

Water Pollution Control Revolving Fund

The State has established an enterprise fund account to provide a source of funds to make loans or to provide other assistance for certain water pollution control projects and for related purposes authorized under the state revolving loan fund provisions of the federal Clean Water Act (the “Pollution Control Projects Account”). Funding for this program (the “Pollution Control Program”) is provided primarily through federal capitalization of grant money made available to the State, receipt of which is conditioned on the State’s providing approximately 20% matching funds. Funds in the Pollution Control Projects Account are generally used to make loans at or below market rates to municipal recipients for purposes of paying for costs of designing and constructing publicly owned treatment works. Funds loaned to municipal recipients for eligible projects are repaid into the Pollution Control Projects Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Pollution Control Projects Account are also permitted to be applied to pay certain costs of operating the Pollution Control Program.

The Director of the State Department of Conservation and Natural Resources, with the approval of the State Department of Administration, is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Pollution Control Projects Account. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the municipal borrowers. The State has considered bonds previously issued for purposes of the Pollution Control Projects Program to be self-supporting because State bonds issued for purposes of the Pollution Control Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Pollution Control Program. The 2010G and 2010H Bonds will be issued under this authority.

Safe Drinking Water Revolving Fund

The State has established an enterprise fund account to provide a source of funds to make loans or to provide other assistance for certain drinking water projects and for related purposes authorized under the state revolving loan fund provisions of the federal Safe Drinking Water Act (the “Revolving Fund Account”). Funding for this program (the “Public Water System Program”) is provided in a manner similar to that of the Pollution Control Program. Funds in the Revolving Fund Account are generally used to make loans to municipal recipients at or below market rates for purposes of paying for costs of designing and constructing public water systems. Funds loaned to municipal recipients for eligible projects are repaid into the Revolving Fund Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Revolving Fund Account are also permitted to be applied to pay certain costs of operating the Public Water System Program.

The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Revolving Fund Account or to provide money from the State to match federal grants as required by the federal Safe Drinking Water Act. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the borrowers. The State has considered bonds previously issued for purposes of the Public Water System Program to be self-supporting because State bonds issued for purposes of the Public Water System Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Public Water System Program. The 2010I Bonds will be issued under this authority.

Colorado River Commission of Nevada

The Colorado River Commission of Nevada (the “Colorado River Commission”) represents and acts for the State in the matters relating to the acquisition, management and protection of the State’s water and hydropower resources from the Colorado River for the southern portion of the State.

The Colorado River Commission’s current objectives include: (i) optimize, through prudent management practices, the benefits and uses of the Colorado River water resources as a cooperative effort with the U.S. Bureau of Reclamation and the other six Colorado River Basin states of Arizona, California, Colorado, New Mexico, Utah and Wyoming; (ii) work cooperatively with the Southern Nevada Water Authority and others to acquire additional water supplies for the State; (iii) design, construct, operate and manage the Colorado River Commission’s power delivery system to provide the power supply for new water pumping and treatment facilities being constructed by the Southern Nevada Water Authority; (iv) continue to provide the most affordable and reliable electric power to existing Colorado River Commission customers, (v) protect the interests of the State by serving on and monitoring forums dealing with power, water and environmental issues; and (vi) be a leading participant in the Lower Colorado River Multi-Species Conservation Program. The Colorado River Commission generates revenues from the sale of water and electricity derived from the Colorado River.

The Colorado River Commission has the power to borrow money (including through the issuance of bonds that are general obligations of the State payable from taxes and additionally secured with net pledged revenues), in a total principal amount which is approved by the State Legislature or the Interim Finance Committee. The Interim Finance Committee functions within the Legislative Counsel Bureau between legislative sessions and administers a contingency fund. The committee is composed of the members of the Senate Committee on Finance and the Assembly Committee on Ways and Means from the preceding session.

Marlette Lake Water System

The State has established the Marlette Lake Water System, made up of water rights, easements, pipelines and related items acquired by the State and used in connection with the collection, transmission and storage of water in Carson City, Washoe County and Storey County. The Marlette Lake Water System was created to provide adequate supplies of water to the areas served, to maintain the system to assure dependable supplies of water, and to sell water under equitable and sound arrangements.

The Director of the Department of Administration may request the State Board of Finance to issue general obligation bonds of the State or revenue bonds in an aggregate principal amount not to exceed $25,000,000 to finance the capital costs of improving and modernizing the Marlette Lake Water System. The aggregate amount of bonds currently available to be issued is $17,355,000. A portion of the remaining authorization will be allocated to the 2010D Bonds.

Lease-Backed Financings

The Nevada Real Property Corporation is a public not-for-profit corporation that issued $21,550,000 in certificates of participation in 2004 to finance a State office building project, $22,435,000 in certificates of participation in 2004 to finance a State correctional facility, and $5,760,000 in certificates of participation in 2006 to finance a State printing office building. The facilities so financed are being leased to the State at rentals calculated to be sufficient to pay the certificates of participation. The certificates of participation (and the underlying lease purchase arrangements with the State) are not general obligations of the State and are not backed by the full faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments under the lease purchase arrangements are subject to appropriation by the State.

Security for State General Obligation Bonds

General obligation bonds of the State are direct general obligations of the State to which the full faith and credit of the State is pledged. General obligation bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "—Constitutional Debt Limitation" and "PROPERTY TAXATION—Property Tax Limitations" in this Part II. The tax is required to be levied annually as necessary until all of the State's general obligation bonds and the interest thereon are discharged and will be levied and collected in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State are required to be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund, to be repaid from future available property taxes. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to $3.64 per $100 of assessed valuation. The State's current levy for general obligation debt is $0.17 per $100 of assessed valuation. The State Legislature has exempted $0.02 per $100 of the $0.17 per $100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in Part II of this Official Statement. While the State has no intention to raise the $3.64 statutory cap and such an increase would require a statutory change by the State Legislature, the State has the ability to raise its levy for the general obligation bonds within the constraints of the Nevada constitutional cap. See "INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

State law provides that the faith of the State be pledged, and that any law concerning State general obligation bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended or modified in such a manner as to impair adversely any outstanding municipal securities, including the Bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. State law authorizes holders of general obligation bonds of the State to bring actions, at law or in equity, against the State, the Board of Finance, or other employees or agents of the State, to compel any action required by State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not expect to levy state-wide property taxes to pay general obligation bonds that are (a) identified as self-supporting bonds because they are expected to be paid in full from sources other than state-wide property taxes or (b) expected to be paid in part from other sources but not identified as self-supporting bonds. These self-supporting bonds and bonds that are not self-supporting but supported with revenues received from other sources are identified in Table 2 of this Part II. These bonds are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to state-wide property tax receipts and the State's General Fund as other general obligation bonds of the State.

Authorized Note Borrowing

In 2008 and 2009, Chapter 349 of NRS was amended to authorize the State to issue notes on or before August 31, 2011 in an aggregate principal amount that does not exceed $160,000,000, and to sell such notes to the Local Government Pooled Investment Fund (the "Pooled Investment Fund") as an investment of the Pooled Investment Fund. The total amount that the Pooled Investment Fund is authorized to purchase may not exceed 25% of the book value of the total investments of the Pooled Investment Fund on the date of the investment. The law prescribes the methodology for determining the interest rate on the notes, and minimum repayment schedules. The notes are general obligations of the State. As of the date of this Official Statement, however, the State has not issued any notes pursuant to the authority described in this paragraph.

Build America Bonds

Certain general obligation bonds of the State (Series 2009A) in the principal amount of $68,000,000 have been designated as "Build America Bonds" ("BABs") for purposes of the American Recovery and Reinvestment Act of 2009, signed into law on February 17, 2009 ("ARRA"). The State expects to receive a cash subsidy payment, on or about each interest payment date on such BABs, equal to 35% of the interest payable on such BABs (the "BAB Credit"). The BAB Credit does not constitute a full faith and credit guarantee of the United States of America (the "United States"); but the BAB Credit is required to be paid by the United States Treasury under ARRA. BAB Credits received by the State pursuant to these provisions will be deposited in the State's Consolidated Bond Interest and Redemption Fund and will be available for payment of all general obligation bonds of the State and other obligations of the State payable from the Consolidated Bond Interest and Redemption Fund. The State is obligated to make all payments of principal of and interest on the BABs whether or not it receives the BAB Credit.

The State is required to periodically file certain documents with the Internal Revenue Service to claim and be entitled to the BAB Credit. If the State fails to file a necessary document with the Internal Revenue Service in a timely fashion, it is possible that the State will not receive a BAB Credit. A BAB Credit is subject to offset against certain amounts that may, for reasons unrelated to the BABs, be owed by the State to an agency of the United States. The State can give no assurances regarding future changes in legislation or United States Treasury regulations or the netting of other liabilities of the State against the expected BAB Credit which may affect the amount or timely receipt of the BAB Credit.

PROPERTY TAXATION

Property Tax Base and Tax Roll Collection

County assessors are responsible for assessments of all properties in the counties except for property centrally assessed by the State and except for exempted property. In 1981, the State Legislature determined that a just valuation of real property should no longer be based strictly on the full cash value of the total property. Instead, the value of real property was bifurcated into two components: full cash value of the land and replacement cost new less depreciation of the improvements, with the rate of depreciation set by statute. The resulting "taxable value" must not exceed the full cash value of the entire property (NRS 361.227). Full cash value is defined as "the most probable price which property would bring in a competitive and open market under all conditions requisite for a fair sale" (NRS 361.025).

Replacement cost new less depreciation for real property improvements is determined by reference to a national costing service or similar sources for replacement cost, then subtracting depreciation at a set rate of 1.5% of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years. Depreciation of improvements is therefore no greater than 75% for improvements 50 years old or older (NRS 361.227(1)(b)). Assessors then add the full cash value of land to the replacement cost new less depreciation of improvements. The full cash value of the land is determined by applying the sales comparison approach, if there are sufficient sales, or alternative methods if there are insufficient sales (Nevada Administrative Code ("NAC") 361.118; 361.119). In communities where little growth in land value is experienced, the total assessed value may go down as a result of the statutory rate of depreciation.

Replacement cost new less depreciation for personal property is based on the taxpayer's reported acquisition cost less depreciation. Depreciation is determined using tables published by the Department of Taxation and approved by the Nevada Tax Commission. Depreciation rates vary depending on the life of the asset, but in general a declining balance method of depreciation is applied with a 5% residual (NAC 361.1351; NAC 361.1375).

If the taxable value so derived exceeds the full cash value of the property as a whole, then Nevada law directs the appraiser to measure the additional obsolescence and reduce the taxable value downward (NRS 361.227(5)). The appraiser may use the comparative sales approach, the income approach, and the cost summation approach to measure the amount of obsolescence present.

Assessors apply the sales comparison approach using mass appraisal techniques to establish the land values for various classifications of property, such as residential, commercial, or industrial properties. Land values also vary by location and other market conditions. For instance, foreclosure sales can affect the values established by county assessors if they become a large proportion of the overall number of sales of comparable properties causing downward pressure on sales prices of similarly situated properties.

In Nevada, NRS 361.225 requires that all property subject to taxation be assessed at 35% of its taxable value. Restating the formula expressed in NRS 361.225: ***Taxable Value x Level of Assessment = Assessed Value.*** For example, if the taxable value of a single family residence is $200,000, the assessed value is $70,000 ($200,000 x .35 = $70,000).

Property owned by the federal government is exempt from State taxation. In addition, the State Legislature has provided for the exemption of certain types of properties. For instance, property owned by the State and its political subdivisions, or certain enumerated religious, charitable and educational organizations, are exempt. The total land area of the State that is exempted from property tax is approximately 86.6%. In addition, certain household goods and furniture, business inventories, personal property in transit, property used for the control of air or water pollution, and unpatented mining claims, are exempt, among others.

The following table provides a record of the change in assessed valuation by county within the State during FY 2007, 2008, 2009, 2010 and 2011. The assessed valuation has decreased substantially since 2009 due to a variety of factors, including the current real estate market, unemployment and foreclosures.

Table 5
County Assessed Valuations(1)
(35% of Taxable Value)

	Fiscal Year Ended June 30 Tax Rolls				
County	**2007**	**2008**	**2009**	**2010**	**2011**(2)
Carson City	$ 1,433,303,610	$ 1,612,389,852	$ 1,843,246,997	$ 1,827,072,632	$ 1,688,143,535
Churchill	570,368,036	686,529,426	725,891,895	790,819,558	813,230,612
Clark	89,520,974,828	106,134,241,089	111,906,539,236	89,981,571,327	63,926,261,627
Douglas	3,039,633,181	3,396,804,161	3,492,523,590	3,368,178,709	3,001,317,069
Elko(3)	994,053,541	1,060,626,160	1,222,269,103	1,274,631,694	1,434,663,933
Esmeralda	42,058,344	46,208,930	54,506,674	58,223,955	57,372,872
Eureka	632,108,227	727,781,488	929,568,154	1,140,655,877	1,416,420,709
Humboldt(3)	569,230,689	614,221,654	692,590,219	673,187,265	901,885,075
Lander(3)	297,628,588	345,990,214	316,119,956	422,378,412	1,225,503,067
Lincoln	155,710,026	174,812,455	184,663,729	206,511,582	194,789,293
Lyon	1,364,617,737	1,665,951,811	1,857,324,881	1,653,412,504	1,336,287,467
Mineral	76,709,400	88,373,053	90,420,135	100,610,732	101,122,890
Nye	1,330,090,330	1,693,640,272	1,899,181,856	2,012,794,024	1,775,159,043
Pershing	175,347,749	191,199,951	204,359,144	207,736,183	205,761,093
Storey	321,271,770	425,595,134	561,506,843	612,039,395	583,920,067
Washoe	13,745,318,879	15,105,492,476	17,207,010,574	15,099,475,662	13,658,850,921
White Pine	230,740,743	279,996,451	358,021,167	230,948,463	373,407,354
TOTAL	$114,499,165,678	$134,249,854,577	$143,545,744,154	$119,660,247,974	$92,694,096,627
Percent Change	--	17.25%	6.92%	-16.64%	-22.54%

(1) Includes net proceeds of minerals but excludes state-wide redevelopment agency fiscal year assessed valuation used for taxation purposes in the amounts of: 2007-$2,480,502,229 and 2008-$3,592,598,970; 2009-$4,610,464,128, 2010-$4,446,650,992 and 2011-$2,324,227,437.
(2) Assessed valuation as reported by the State Department of Taxation on July 15, 2010.
(3) The economies of Elko, Humboldt and Lander counties are heavily influenced by mining activity, and in particular, gold mines. The assessed values for these counties increased over the prior year due to increased mining activity, which is directly related to the increase in the price of gold. As the price of gold increases, reserves that were not previously economical are now being developed.

Source: Property Tax Rates for Nevada Local Governments – State of Nevada – Department of Taxation.

County treasurers are responsible for the collection of property taxes and for the distribution of collections to the overlapping taxing entities within the county, including the State. Counties distribute property taxes when collected. The bulk of the property taxes are collected and distributed on a quarterly basis. Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in four installments, in which case the taxes can be paid in approximately equal installments on or before the third Monday in August and the first Mondays in October, January and March. Penalties are assessed if any taxes are not paid within 10 days after the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event the taxes remain delinquent as of the first Monday in May, the county treasurer is authorized to hold the property in trust for the benefit of the State and the county for two years, subject to redemption upon payment of taxes, penalties, interest and costs. If delinquent taxes are not paid within the two-year redemption period, the county treasurer obtains a deed to the property. Upon receipt of a deed, the county treasurer may sell the property after giving notice of sale. Upon order of the board of county commissioners, the property cannot be sold for a total amount less than the amount of the taxes, costs, penalties and interest legally chargeable against the property. As an alternative remedy with respect to certain delinquencies over $1,000, the county's district attorney may, and shall when directed by the board of county commissioners, commence a judicial foreclosure action against the delinquent taxpayer before the expiration of the two-year redemption period.

The assessed valuations of the 10 largest owners of taxable property in the State for FY 2011 are listed in the following table. The State is not aware that any of these property owners are delinquent in the payment of property taxes.

Table 6
Ten Largest Taxable Property Owners
(FY 2011)

	Taxpayer	Type of Business	Assessed Valuation[(1)] (35% of Taxable Value)	Percent of Total State Assessed Valuation[(2)]
1.	MGM Mirage*	Hotel/Casino	$ 5,705,965,450	6.01%
2.	Harrah's Entertainment, Inc. *	Hotel/Casino	1,853,285,710	1.95
3.	Nevada Power Company [(3)]	Utility	1,529,263,100	1.61
4.	Las Vegas Sands Corporation	Hotel/Casino	698,007,280	0.73
5.	Boyd Gaming Corporation	Hotel/Casino	607,503,974	0.64
6.	Sierra Pacific Power Company [(3)]	Utility	606,679,600	0.64
7.	Wynn Las Vegas LLC	Hotel/Casino	589,773,050	0.62
8.	General Growth Properties*	Developer	544,175,097	0.57
9.	Station Casinos Incorporated*	Hotel/Casino	475,492,479	0.50
10.	Newmont Mining Corporation	Mining	464,868,480	0.49
		Total	$13,075,014,220	13.76%

(1) Assessed value is based on information from Clark, Douglas, Elko, Lander, Nye and Washoe Counties and the State Department of Taxation as of September 23, 2010, for the 2010-2011 secured roll plus the 2009-2010 unsecured roll for mining properties only.
(2) Based on assessed valuations for the State of $95,018,324,064 (includes state-wide redevelopment agencies) as reported by the State Department of Taxation on July 15, 2010, Property Tax Rates for Nevada Local Governments, 2010-2011 (Redbook).
(3) Subsidiaries of NV Energy, Inc. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Electric Utilities" in this Part II.

Source: Department of Taxation, State of Nevada.

* A number of news stories have reported during the past year that several of the taxpayers on this list, including MGM Mirage, Harrah's Entertainment, Inc., Las Vegas Sands Corp., General Growth Properties and Station Casinos, Inc, are facing financial difficulties of varying severity. It is not possible to predict the extent of such difficulties, what effect such difficulties may have on their respective properties in the State, and whether or not such difficulties will affect their timely payment of property taxes in the future.

General Growth Properties ("General Growth"), a major developer and owner of retail shopping malls, filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code in April, 2009. The court entered an order confirming the bankruptcy plan of General Growth on October 21, 2010. At the time of the bankruptcy filing it was reported that General Growth listed $29.5 billion in assets and debts of about $27.3 billion, and will continue operating its more than 200 properties. The State makes no predictions as to whether the bankruptcy will have any effect on General Growth's ability or willingness to make timely payment of property taxes on its properties within the State.

Station Casinos Inc. ("Station Casinos"), a gaming and entertainment company that owns and operates properties in the State, filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code in July, 2009. The court entered an order confirming the bankruptcy plan of Station Casinos on August 24, 2010. At the time of the bankruptcy filing it was reported that Station Casinos listed $5.7 billion in assets and $6.5 billion in debt. It was reported that Station Casinos values the 18 casinos it has around Las Vegas as the most important part of the company and that business would continue as usual. The State makes no predictions as to whether the bankruptcy filing will have any effect on Station Casinos' ability or willingness to make timely payment of property taxes on its properties within the State.

Clark County and Washoe County account for approximately 90% of the State's real property tax collections. The following tables illustrate the ad valorem tax collection records for the two counties. While foreclosure activity is still high throughout the State, substantially all of the property taxes continue to be collected as levied.

Table 7[1]
Tax Levies, Collections and Delinquencies
Clark County, Nevada

Fiscal Year Ending June 30	Net Secured Roll Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Taxes Collected as % of Current Levy[2]
2004	$1,262,337,653	$1,251,864,740	99.17%	$10,437,295	$1,262,302,035	100.00%
2005	1,449,273,775	1,439,911,686	99.35	9,317,091	1,449,228,777	100.00
2006	1,639,442,707	1,632,191,297	99.56	7,201,201	1,639,392,498	100.00
2007	1,927,238,513	1,909,964,723	99.10	17,146,480	1,927,111,203	99.99
2008	2,179,452,860	2,144,481,519	98.40	31,585,052	2,176,066,571	99.84
2009	2,357,540,052	2,310,905,968	98.02	33,380,648	2,344,286,616	98.44
2010	2,276,317,176	2,216,527,326	97.37	15,102,081	2,231,629,407	98.04
2011[4]	1,860,242,874	569,725,112	30.63	[3]	569,725,112[3]	30.63[3]

[1] Represents the real property tax roll levies and collections.
[2] Figured on collections to net levy (actual levy less stricken taxes).
[3] Collections still in progress.
[4] As of September 30, 2010.

Source: Clark County Treasurer's Office.

Table 8[1]
Tax Levies, Collections and Delinquencies
Washoe County, Nevada

Fiscal Year Ending June 30	Net Secured Roll Tax Levy[2]	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Taxes Collected as % of Current Levy[3]
2004	$347,863,547	$332,897,385	95.70%	$14,670,775	$347,568,160	99.92%
2005	371,010,856	360,524,404	97.17	3,401,248	363,925,652	98.09
2006	404,786,830	390,644,525	96.51	12,687,647	403,332,172	99.64
2007	444,936,920	430,130,336	96.67	11,899,549	442,029,885	99.35
2008	479,594,575	467,922,890	97.37	6,976,751	470,139,544	97.83
2009	512,403,920	502,436,174	98.00	4,943,468	507,379,643	98.96
2010	503,451,077	492,951,230	97.91	8,226,613	501,177,841	99.55
2011[5]	459,919,280	139,538,553	30.34	2,695,522[4]	142,234,075[4]	30.93[4]

[1] Represents the real property tax roll levies and collections.
[2] Includes Supplemental Real Estate billed in December of that tax year. Includes adjustments to levy.
[3] Figured on collections to net levy (actual levy less stricken taxes).
[4] Collections still in progress.
[5] As of August 26, 2010.

Source: Washoe County Treasurer's Office.

Property Tax Limitations

Tax Relief Legislation in 2005. Substantial increases in property values, particularly in southern Nevada, resulted in substantial increases in assessed valuation in the State (see "—Property Tax Base and Tax Roll Collection" above). These increases were projected to result in substantial increases in property taxes for property owners in 2005 and subsequent years. Legislation was enacted in 2005 that caps year-to-year property tax increases for most homeowners at a maximum of 3% and for most commercial and rental property owners at the lesser of the ten-year rolling average of assessed values per county or twice the percentage of increase in the federal Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the preceding calendar year. These limitations applied beginning July 1, 2005 and thus affected property taxes due in July, 2005 and thereafter. This legislation also provides for the recapture of previously abated property in certain limited situations. An example of the application of the property tax abatement is as follows:

If the taxable value of an owner occupied single family residence was $200,000 in year 1, the assessed value would be $70,000 ($200,000 x .35 = $70,000). If the tax rate is $3.64 per $100 of assessed value , the total property tax in year 1 would be $2,548. In year 2, assume the taxable value increased to $220,000 resulting in an assessed value of $77,000. If the tax rate remains the same at $3.64 per $100 of assessed value, the total computed property tax in year 2 would be $2,803. The property tax allowed for owner-occupied single family residences is 103% of the prior year property tax, or in this case $2,548 x 1.03 = $2,624. This limit would be compared to the computed property tax of $2,803 in year 2 and the difference of $179 is abated. The actual property tax owed would be the computed tax less the abated tax, or $2,624.

The State levies state-wide property taxes to repay its general obligation bonds (other than self-supporting bonds and bonds expected to be paid in part with other sources) as described under "PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in this Part II, and the caps on increases in property tax revenues could limit the State's issuance of additional general obligation bonds in the future under certain circumstances. The State does not expect the 2005 changes to adversely affect the State's ability to continue to pay all of its outstanding general obligation bonds and other obligations as and when due. In 2009 and 2010, the taxable value of property, particularly in urban areas of the State, experienced a steep decline and as a result, the total amount of abatement has declined. However, the abatement cushion has protected the State's property tax collections from general assessed value declines it has experienced. When the abatement cushion is eliminated, State property tax collections are expected to track changes in assessed value more closely

Overlapping Property Tax Caps. Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental entities within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5.00 per $100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to $3.64 per $100 of assessed valuation in all counties of the State with certain statutory exceptions that (a) permit a combined overlapping tax rate of up to $5.00 per $100 of assessed valuation in certain circumstances, including severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission and (b) permit $0.02 of the state-wide property tax rate per $100 of assessed valuation to repay certain general obligation bonds not to be counted against the $3.64 cap. State law provides a priority for taxes levied for the payment of general obligation bonded indebtedness, in that in any year in which the proposed tax rate to be levied by overlapping entities within a county exceeds any rate limitation, a reduction must be made by those entities for purposes other than the payment of general obligation bonded indebtedness (including interest). The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table II in this Part II.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness. This rate is generally limited as follows: the assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This formula operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property. A local government may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add to the allowed revenue from ad valorem taxes, the amount approved by the State Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. If revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation is less than the amount of money that would be generated by applying a tax rate of $1.15 per $100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds of minerals, the governing body of each local government may levy an additional tax ad valorem for operating purposes. This calculation is known as the supplemental city-county relief tax make up rate and is further explained in NRS 354.59813.

Additional Local Government Property Tax Not Subject to Local Government Property Tax Revenue Limitation. In addition to the property taxes described above under the heading "PROPERTY TAXATION," counties may levy an ad valorem tax on all taxable property at a maximum rate of $0.05 per $100 of assessed valuation of the county. The proceeds of the tax are to be distributed between the county and the cities and towns within the county based on a specific formula, except as described in the next sentence.

For counties with a population of 100,000 or more (currently Clark County and Washoe County only), and in accordance with AB 595 (2007 Session), the proceeds are further allocated as follows:

Fiscal Year	Portion Retained by County, Cities and Towns	Portions Deposited by State Highway Fund for Projects Within the County
2009-2010	76%(1)	24%
2010-2011	64%(1)	36%
2011-2012	52%	48%
2012-2013 and thereafter	40%	60%

(1) Pursuant to AB 543 (2009 Session), these proceeds will go to the State Treasurer for deposit in the State's General Fund.

An additional tax levy (outside the annual rate increase limitation) of up to $0.05 per $100 of assessed valuation is permitted for counties to cover the expenses of maintaining a county museum, art center or historical society. This levy is allowed under NRS 244.377.

School District Property Taxes. School districts levy $0.75 per $100 of assessed valuation for operating purposes. They are allowed an additional levy for voter approved general obligation bonds and capital project tax levies.

State Tax Rates for Repayment of General Obligation Bonds

The State levies a state-wide property tax on all taxable property to repay its outstanding general obligation bonds, other than (i) the self-supporting bonds and (ii) the bonds that are expected to be paid in part from revenue sources other than state-wide property taxes, and the State's property tax rate is not calculated to cover debt service on these bonds. The following table lists the State's general obligation bonds currently being repaid with state-wide property taxes. See Table 9 below for a schedule of principal and interest payment requirements for such bonds. This table presents information as of November 1, 2010. All state-wide property taxes collected by the State for the purpose of repayment of the State's general obligation bonds are deposited in the Consolidated Bond Interest and Redemption Fund. See Table 10 for the amount of the current tax levied by the State for general obligation debt and for the amounts of state-wide property taxes deposited (or for FY 2011, expected to be deposited) in the Consolidated Bond Interest and Redemption Fund for FY 2006-2011.

Table 9
State Debt Service On Outstanding Bonds Paid With State-Wide Property Taxes[1][2]
(As of November 1, 2010)

Fiscal Year	Principal	Interest[3]	Total Debt Service
2011	$90,340,000	$59,608,415	$149,948,415
2012	82,754,643	70,603,356	153,357,999
2013	96,499,643	66,515,193	163,014,836
2014	99,384,643	61,850,268	161,234,911
2015	96,679,643	56,960,665	153,640,308
2016	88,219,643	52,186,430	140,406,073
2017	94,929,643	47,837,341	142,766,984
2018	90,489,643	43,165,498	133,655,141
2019	94,779,643	38,698,911	133,478,554
2020	80,834,643	34,135,650	114,970,293
2021	83,074,643	30,203,244	113,277,887
2022	78,925,280	25,962,193	104,887,473
2023	82,010,280	22,052,998	104,063,278
2024	83,512,766	17,830,061	101,342,827
2025	86,027,766	13,785,568	99,813,335
2026	87,439,009	9,292,633	96,731,642
2027	89,404,009	4,802,287	94,206,296
2028	13,840,000	1,531,922	15,371,922
2029	9,605,000	810,907	10,415,907
2030	625,000	255,250	880,250
2031	660,000	224,000	884,000
2032	690,000	191,000	881,000
2033	725,000	156,500	881,500
2034	765,000	120,250	885,250
2035	800,000	82,000	882,000
2036	840,000	42,000	882,000
Total	$1,533,855,539	$658,904,538	$2,192,760,077

(1) This table excludes debt service on self-supporting bonds and the portion of the bonds that are not characterized as self-supporting bonds but expected to be paid from sources other than state-wide property taxes.
(2) This table does not reflect the planned issuance of the Bonds and refunding of the Refunded Bonds.
(3) These interest payments include the full interest payments due on the State's general obligation bonds that have been issued as Build America Bonds, including interest that is expected to be reimbursed from the federal government.

Source: State of Nevada Treasurer's Office.

Table 10 illustrates the property tax rates levied by the State and the state-wide property tax revenues collected from such levy since 2006 to repay general obligation bonds that are not expected to be paid from other sources.

Table 10
Property Tax Rates Levied and Property Tax Revenues Collected to Repay General Obligation Bonds

Fiscal Year	Tax Rate Per $100 of Assessed Valuation	Property Tax Revenues[1]
2006	$0.1700	$135,066,621
2007	0.1700	154,033,930
2008	0.1700	170,480,022
2009	0.1700	185,920,012
2010	0.1700	186,714,279
2011	0.1700	138,118,653[2]

(1) Represents the amount of property taxes deposited to the Consolidated Bond Interest and Redemption Fund.
(2) Estimated.
Source: Property Tax Rates for Nevada Local Governments, State of Nevada Department of Taxation and the State of Nevada Treasurer's Office.

The State's debt management policy indicates that the State should strive to reserve funds in an amount at least equal to six months' debt service on the general obligation bonds payable from property taxes. While the reserve is currently funded in excess of 11 months (the fund balance of the Consolidated Bond Interest and Redemption Fund was $157,382,083 as of June 30, 2010), it is expected that the State may have to use a portion of the reserve to pay debt service on general obligation bonds payable from property taxes in the next few years depending on assessed valuations and property tax collections. Although the State manages its general obligation debt to ensure that the State can pay its debt service within the existing property tax rate of $0.17/$100 assessed value, the State is able to increase the $0.17 rate within the constitutional limitation on the combined overlapping tax rate of $5 per $100 of assessed valuation through action by the State Legislature. While the statutory maximum on the combined overlapping tax rate of $3.64 per $100 of assessed valuation may be exceeded in certain jurisdictions with any increase, the State Legislature has the ability to enact a tax that exceeds that statutory maximum but is limited to the constitutional maximum of $5 per $100 of assessed valuation. See Table 11 and "Property Tax Limitations—Overlapping Property Tax Caps" in this Part II.

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The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory maximum. The following table is representative of five-year overlapping tax rates in the City of Las Vegas and the City of Reno. The overlapping rates for incorporated and unincorporated areas within the State vary, depending on the rates imposed by applicable taxing jurisdictions.

Table 11
Overlapping Tax Rates: State-Wide Average
Las Vegas and Reno[1]

Fiscal Year Ended June 30	2007	2008	2009	2010	2011
AVERAGE STATE-WIDE RATE	$3.1471	$3.1526	$3.1727	$3.2162	$3.1320
CITY OF LAS VEGAS					
Clark County	$0.6566	$0.6541	$0.6541	$0.6541	$0.6541
Clark County School District	1.3034	1.3034	1.3034	$1.3034	1.3034
Las Vegas Artesian Basin	0.0009	0.0008	0.0008	0.0011	0.0015
City of Las Vegas	0.7777	0.7715	0.7715	0.7715	0.7715
Clark County Library District	0.0866	0.0866	0.0866	0.0909	0.1011
Las Vegas Metro Police	0.2850	0.2850	0.2850	0.2850	0.2850
State of Nevada[2]	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.2802	$3.2714	$3.2714	$3.2760	$3.2866
CITY OF RENO					
City of Reno	$0.9456	$0.9456	$0.9456	$0.9456	$0.9456
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
Special Districts	0.0017	0.0012	0.0005	0.0004	0.0005
State of Nevada[2]	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.6475	$3.6470	$3.6463	$3.6462	$3.6463

(1) Per $100 of assessed valuation.
(2) $0.02 of the State rate is exempt from the $3.64 statutory cap. See "—Property Tax Limitations—Overlapping Property Tax Caps" above.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation.

FINANCIAL INFORMATION

Financial Statements

The State Controller prepares a comprehensive annual financial report setting forth the financial condition of the State as of June 30 of each fiscal year. Appendix A to this Part II consists of the comprehensive annual financial report (excluding the statistical section) for FY 2009. Appendix B to this Part II consists of a history of State General Fund Revenues, Expenditures and Changes in Fund Balance for FY 2005, 2006, 2007, 2008 and 2009, which is derived from the comprehensive annual financial reports for FY 2005-2009. The comprehensive annual financial report for FY 2010 is expected to be available at the end of December 2010, after the issuance of the Bonds.

Budget Procedure

The State is constitutionally required to maintain a balanced budget. The Nevada Constitution also requires an affirmative vote of not less than two-thirds of the members of both houses of the State Legislature to pass a measure which (a) creates, generates or increases any public revenue in any form, including, but not limited to, taxes, fees, assessments and rates or (b) makes changes in the computation bases for taxes, fees, assessments and rates.

On February 1 of each even-numbered year, the Governor must impanel an economic forum (the "Economic Forum") comprising three members appointed by the Governor, one member nominated by the majority leader of the Senate, and one member nominated by the speaker of the Assembly. The Economic Forum updates projections for state revenue collections (for unrestricted uses) for the final year of the biennium in which it is impaneled and establishes revenue forecasts for the next biennium. By December 1 of each even-numbered year, the panel must prepare a written report of its forecasts of future State General Fund revenue. By the following May 1, the panel issues its final forecast. The most recent Economic Forecast was released on December 1, 2010, and is attached as Appendix C to this Part II. The December 1, 2010 Economic Forecast provides revised revenue estimates for FY 2011 as well as for the following two years.

A seven-member Technical Advisory Committee (the "TAC") advises the Economic Forum as requested. The Governor must use the projections and estimates prepared by the Economic Forum to prepare his recommendation for the State's two-year budget.

State statutes require all State Executive Branch agencies and departments to submit their two-year budgets to the Budget Division by the September 1 prior to the biennial meeting of the State Legislature. The Budget Division holds hearings in October on the submitted budgets and the Governor reviews the proposals in November. In mid-January, the two-year budget is finalized and submitted to the State Legislature at least fourteen days before the start of each biennial regular session. The Judicial and Legislative Branch agencies, as well as the Public Employees' Retirement System, submit their two-year budgets directly to the State Legislature.

The State Legislature holds hearings and approves or modifies the two-year budget. The budget is enacted through a General Appropriations Act, which authorizes expenditures from unrestricted revenues, and an Authorized Expenditures Act, which authorizes expenditures from revenues collected for a specific purpose. The budget may be modified by other appropriations acts enacted by the State Legislature. The Interim Finance Committee is authorized to allocate money to fund necessary expenditures between the legislative sessions in amounts determined by the State Legislature. The proposed budget for the 2011-2013 biennium is expected to be submitted to the State Legislature in mid January 2011. The State Legislature is expected to convene February 7, 2011.

The budget prepared by the Governor must provide for a reserve of not less than 5% of all proposed General Fund operating appropriations and authorizations. The State Controller is also required to deposit a portion of the unrestricted balance of the State General Fund to a reserve for the stabilization of the operation of the State. See "TAXES—Fund to Stabilize the Operation of State Government" below.

General Fund

The purpose of the General Fund is to finance the ordinary operations of the State and to finance those operations not provided for by other funds. Included are all transactions pertaining to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund equity accounts. As shown in the financial statements, the State has numerous other funds, including Special Revenue Funds, Enterprise Funds, Internal Service Funds, Fiduciary Funds and Federal stimulus money distributed through ARRA. Money on deposit in the Special Revenue Funds is used primarily to fund highway projects, Bond Bank Program transactions, and some of the activities of the State's regulatory agencies. Money on deposit in the Enterprise Funds is used primarily to fund housing projects, the Water Pollution Control Revolving Fund, the Safe Drinking Water Revolving Fund, and unemployment compensation. To date, funds received from ARRA have been used for education and various programs administered through the Department of Health and Human Services and the Department of Employment Training and Rehabilitation. The State is not currently anticipating receipt of additional ARRA funds.

Tables 12, 13, and 14 reflect General Fund revenues and appropriations and General Fund projections on a budgetary or cash basis. Table 12 shows actual revenues for FY 2006 through FY 2009, preliminary final collections for FY 2010, the revenue forecast for FY 2011 based on the January 22, 2010 Economic Forum Forecast adjusted for legislative action, the revised revenue forecast for FY 2011 based on the December 1, 2010 Economic Forum Forecast and the revenue forecast for FY 2012 and FY 2013 based on the December 1, 2010 Economic Forum Forecast. The data in Table 13 and Table 14 is taken from the Nevada Legislative Appropriations Reports published by the Fiscal Analysis Division of the Legislative Counsel Bureau. Table 13 presents General Fund appropriations for various administrative divisions of State government and Table 14 depicts General Fund unappropriated balances and reflects revenue collections, State agency expenditure information, and Economic Forum Forecasts. The information in the 2009 Financial Statements, which also include unappropriated balances (see Appendix A to this Part II), are presented on the basis of generally accepted accounting principles ("GAAP") rather than a budgetary basis. See Note 2 in the 2009 Financial Statements for a reconciliation between data on a budgetary basis and a GAAP basis. Also, see the history of General Fund operations presented on a GAAP basis in the 2009 Financial Statements.

As used by the State, the term "General Fund unappropriated balance" represents unobligated and unencumbered funds available for appropriation by the State Legislature. Unspent appropriated money is not reflected as part of General Fund unappropriated balance until, there being no further obligations against the appropriation, the unexpended portion is returned to the General Fund as a reversion. Reversions are reflected as income contributed to the unappropriated balances. Reversions may not take place for several years after their appropriation, although usually they occur after the appropriated amounts are available for one year. At no time are outstanding appropriations included in General Fund unappropriated balances. This format is standard procedure for both the State Budget Division and the State Legislature.

State General Fund Revenue Sources

General. The State relies upon sales and use taxes, gaming taxes, business payroll taxes, insurance premium taxes, live entertainment taxes, cigarette taxes and real property transfer taxes for the bulk of its General Fund revenues. The State does not have a personal income tax and is constitutionally prohibited from having one. Other taxes common in many states but not levied in Nevada are franchise, corporate income, special intangible, capital stock, chain store, inventory, stock transfer, and gift taxes. The proceeds of the state-wide property tax levied for general obligation bonds is not a general fund revenue.

The discussion below includes unaudited amounts for FY 2010. Forecasts from the December 1, 2010 Economic Forum Forecast to the State Legislature are included in Appendix C to this Part II.

Portions of the operating budgets for the various local taxing units in Nevada are funded with ad valorem taxes. Provisions for debt service payable with ad valorem taxes are made prior to determining operating budgets. Total ad valorem taxes levied by all overlapping units within the boundaries of any county (i.e., the State, and any county, city, town, school district, or special district) may not exceed the statutory limitation of $3.64 per $100 of assessed valuation of property being taxed (subject to the exception for $0.02 of the state-wide property tax rate per $100 of assessed valuation that need not be counted against the $3.64 statutory cap). In the case of severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, the State Tax Commission may order the levy of a combined overlapping tax rate of not more than $5.00 per $100 of assessed valuation. See also "PROPERTY TAXATION—Property Tax Limitations" in this Part II.

Preliminary collection figures for FY 2010 show $3,007,019,753 in total General Fund revenues collected from taxes, licenses, fees and fines, charges for service, use of money and property and miscellaneous other receipts. Of this total, various tax revenues accounted for $2,658,139,354 or 88.4%. As noted below, certain revenue enhancements enacted during the 2009 Regular and the Twenty-Sixth (2010) Special Sessions of the State Legislature that increased collections in FY 2010 and FY 2011 are scheduled to sunset on June 30, 2011 unless extended by the State Legislature. The following taxes provide the State's General Fund with its major sources of income. See Table 12 for a description of the various general fund revenues described below for FY 2006, 2007, 2008 and 2009, preliminary numbers for FY 2010, the revenue forecast for FY 2011 based on the January 22, 2010 Economic Forum Forecast adjusted for legislative action, the revised revenue forecast for FY 2011 based on the December 1, 2010 Economic Forum Forecast and the revenue forecast for FY 2012 and FY 2013 based on the December 1, 2010 Economic Forum Forecast.

Sales and Use Taxes. The State receives a 2% sales tax on all taxable sales and taxable items of use. For FY 2009, the State sales and use tax provided $859,536,168 or 31.4% of FY 2009 General Fund revenues. Preliminary results for FY 2010 show the State collections from this tax are down by approximately 8.7% compared with the prior fiscal year. Certain sales are exempt from State sales taxation, including but not limited to, domestic fuel, prescription drugs, food for home consumption and aircraft and major components thereof, based in Nevada. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Sales and Use Tax" in this Part II. The 2009 Legislature lowered the collection allowance provided to a taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25%, effective July 1, 2009. This legislation also increased the General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by local option taxes from 0.75% to 1.75%, effective July 1, 2009. Based on this change, the State collected an additional $18,446,995 in sales and use taxes in FY 2010. This revenue enhancement will expire on June 30, 2011, unless extended by the State Legislature. Current sales and use tax rates for Clark County and Washoe County are 8.1% and 7.725% (inclusive of the 2.0% received by the State) respectively.

Gaming Taxes. The State received $691,942,314 from taxes levied on the State's gaming industry for FY 2009, accounting for 25.3% of FY 2009 General Fund revenues. Nevada's gaming establishments are subject to several different taxes at the State level. The most important among these is the monthly gross revenue license fee, which accounts for about 95% of gaming tax revenues. Preliminary results for FY 2010 show the State collections from taxes levied on the State's gaming industry were below the prior fiscal year collections by about 3.4%. Other taxes and fees levied by the State on gaming include license renewals and quarterly and annual license fees based upon the number of slot machines and operational table games, investigative fees, race wire fees, penalties, and interest. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism" in this Part II.

Business Taxes. The State levies a tax on the privilege of conducting business in Nevada. The modified business tax is a tax levied against applicable business payrolls less a deduction for employee healthcare expenses. The rate varies depending on how a business is classified. The tax rate for financial institutions is 2%. The rate for non-financial businesses has varied over time and as of June 30, 2009 was 0.63%. The State collected $277,516,292 for the General Fund from this source in FY 2009, or 10.1% of 2009 General Fund revenues. Preliminary results for FY 2010 show the State collections from the modified business tax were above the prior fiscal year collections by about 38.8% because the State Legislature raised the tax rate for non-financial institutions to 1.17% for payroll amounts over $250,000, effective July 1, 2009. The tax rate on payroll amounts below $250,000 was lowered to 0.5%. According to the Nevada Legislative Appropriations report for the Seventy-Fifth Legislature, Fiscal Years 2009-10 and 2010-11, complied by the Fiscal Analysis Division of the Legislative Counsel Bureau, October 2009, in FY 2010, the State collected an additional $173,330,000 in FY 2010 based on these changes. This revenue enhancement will expire on June 30, 2011, unless extended by the State Legislature.

Insurance Premium Taxes. The State imposes a 3.5% tax on insurance premium income covering property or risks in the State. This tax raised $239,202,995 for FY 2009, or approximately 8.7% of 2009 General Fund revenues. Preliminary results for FY 2010 indicate a year-over-year decline of 1.9% compared with the prior fiscal year.

Live Entertainment Taxes. For FY 2009, the State received $121,567,664 from the live entertainment tax imposed on certain gaming and non-gaming establishments providing entertainment, or approximately 4.4% of 2009 General Fund revenues. Preliminary results for FY 2010 indicate a year-over-year decline of 1.5% compared with the prior fiscal year. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism" in this Part II.

Cigarette Taxes. The State collected $96,986,907 for the General Fund from cigarette taxes in FY 2009, or 3.5% of 2009 General Fund revenues. This tax is 80 cents per package of 20 cigarettes, 70 cents of which is retained by the State. Preliminary results for FY 2010 indicate a year-over-year decline of 8.7% compared with the prior fiscal year. The 2009 Legislature lowered the collection allowance provided to a taxpayer for collecting and remitting cigarette taxes from 0.5% to 0.25%, effective July 1, 2009. In FY 2010, the State collected an additional $221,932 based on this change. This revenue enhancement will expire on June 30, 2011, unless extended by the State Legislature.

Real Property Transfer Taxes. The State levies a tax on the value of transfers of real property. The State collected $65,922,452 for the General Fund from this source in FY 2009, or 2.4% of 2009 General Fund revenues. The tax is paid on quarterly based on a rate of $1.30 per $500 of value. Preliminary results for the FY 2010 indicate a year-over-year decline of 19.1% compared with FY 2009.

Liquor Taxes. The State collected $36,980,883 for its General Fund from liquor taxes in FY 2009 or 1.3% of 2009 General Fund revenues. The liquor tax is an excise tax which is levied upon the volume of alcoholic beverages for the privilege of importing, possessing, storing or selling liquor. The tax rate varies based on alcohol content. Preliminary results for FY 2010 indicate a year-over-year increase of 3.9% compared with the prior fiscal year. The 2009 Legislature lowered the collection allowance provided to a taxpayer for collecting and remitting liquor taxes from 0.5% to 0.25%, effective July 1, 2009. In FY 2010, the State collected an additional $96,303 based on this change. This revenue enhancement will expire on June 30, 2011, unless extended by the State Legislature.

Business Licenses. In FY 2009, the State received $22,519,930 or 0.8% of its General Fund revenues from fees levied on businesses. Except during FY 2010 and FY 2011, the rate is $100 per business per year. The 2009 Legislature increased the Business License Fee by $100 to $200 during FY 2010 and FY 2011 and broadened the categories of businesses required to submit filings and pay the fees. According to the Nevada Legislative Appropriations report for the 25th Legislature, FY 2010 and FY 2011, compiled by the Fiscal Analysis Division of the Legislative Counsel Bureau, October 2009, the State expected to collect an additional $38,254,800 in FY 2010 based on these changes. This revenue enhancement will expire on June 30, 2011, unless extended by the State Legislature. Entities that operate a facility where craft shows, exhibitions, trade shows, conventions, or sporting events take place may pay the Business License Fee for entities not having a business license at the rate of $1.25 times the number of unlicensed entities times the number of days of the event, or a flat annual fee of $5,000.

Net Proceeds of Minerals Taxes. The State received $72,355,923 in General Fund revenues from mining taxes in FY 2009. The tax is based on net proceeds at rates ranging from a minimum of 2% to a maximum of 5%. Local governments, school districts and the Consolidated Bond Interest and Redemption Fund receive revenue equal to the amount derived from the application of the respective property tax rate where the mine is located. Revenue above those amounts accrues to the State General Fund. The State Legislature required the advance payment on the net proceeds of minerals tax in FY 2009 based upon estimated net proceeds for the current calendar year. These provisions also apply to FY 2010 and FY 2011, but the net proceeds of minerals tax reverts back to the former method (based on previous calendar year) of taxing net proceeds on July 1, 2011, unless extended by the State Legislature. Preliminary reports indicate this revenue source provided $76,847,872 in General Fund revenues in FY 2010.

Room Tax. The 2009 Legislature passed Initiative Petition 1, which collects up to an additional 3.0% in room tax in Clark County and Washoe County. Preliminary reports indicate this revenue source provided $97,671,733 in General Fund revenues in FY 2010. It is forecast to generate an additional $95,191,000 in FY 2011. This revenue will not be available to the General Fund in FY 2012 and thereafter, unless extended by the State Legislature. The current room tax rate for Clark County and Washoe County is 13.0% (inclusive of the 3% received by the State).

Other Revenues. Additional revenue enhancements passed by the 2009 Legislature, including modification to the depreciation rates for automobiles and trucks for purposes of calculating the Governmental Services Tax and changes to other non-tax revenues, were expected to increase FY 2010 revenues by $59,722,829 and to increase FY 2011 revenues by $71,519,026. These revenue enhancements will expire on June 30, 2011, unless extended by the State Legislature.

One-Time Revenue Enhancements. In 2009, in addition to the above revenue enhancements, the State Legislature re-allocated to the General Fund some money that is normally deposited to other funds. The diversions of a portion of Clark County and Washoe County property taxes to the General Fund comprise the largest component of the one-time revenue enhancements. These one-time revenue enhancements increased General Fund revenues by $105,672,822 in FY 2010. These revenue enhancements will expire on June 30, 2011, unless extended by the State Legislature.

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The estimates in Table 12 regarding General Fund revenues for FY 2011, 2012 and 2013 are based on assumptions that the State believes to be reasonable as of the date of this Official Statement; however, estimates and projections must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the Department of Taxation and the Gaming Control Board. **Note that the proceeds of the state-wide property tax levied for general obligation bonds are deposited into a separate fund within the State Treasury (the Consolidated Bond Interest and Redemption Fund) and not the General Fund.**

Table 12
General Fund Revenues
(Dollar Amounts in Thousands)

Fiscal Year Ended June 30	2006	2007	2008[1]	2009	2010[2]	2011[3]	2011[4]	2012[4]	2013[4]
TAXES									
Sales and Use	$1,005,054	$1,020,762	$985,740	$859,536	$784,349	$732,918	$786,802	$796,246	$821,484
Gaming	838,094	858,641	803,946	691,961	668,368	668,213	691,218	709,983	733,311
Modified Business	255,252	278,953	284,600	277,516	385,110	371,813	372,800	224,800	230,400
Insurance Premium	238,628	260,000	257,367	239,203	234,549	227,637	236,232	240,540	243,945
Live Entertainment	117,109	132,494	131,820	121,568	119,720	113,857	122,790	124,425	128,912
Cigarette	114,693	113,072	110,418	96,987	88,551	83,811	86,067	84,318	82,794
Room Tax[5]				0	97,672	95,191	104,120	--	--
Real Property Transfer	164,842	120,375	83,955	65,922	53,315	42,000	44,804	42,590	45,843
Liquor	37,347	38,911	39,435	36,981	38,425	37,019	38,753	39,195	39,660
Business License[6]	22,329	20,237	19,580	22,520	41,949	49,370	54,069	29,522	29,522
Mining[7]	19,662	27,699	35,131	72,356	76,848	87,900	85,350	100	60,100
Other	15,998	16,872	18,912	17,414	69,283	82,999	79,727	79,961	80,667
TOTAL TAXES[8]	$2,829,008	$2,888,016	$2,770,904	$2,501,822	$2,658,139	$2,592,728	$2,702,732	$2,371,680	$2,496,638
LICENSES	120,711	121,129	121,878	114,708	112,536	115,956	116,013	118,554	118,565
FEES AND FINES	36,396	40,206	40,991	40,870	45,258	58,982	53,933	53,192	53,133
INTEREST INCOME	32,933	52,916	56,336	23,072	3,988	9,168	2,674	3,787	6,611
OTHER REVENUE	39,755	42,777	64,158	58,869	81,426	78,704	73,711	58,017	58,030
SUBTOTAL	$229,795	$257,028	$283,263	$237,519	$243,208	$262,810	$246,332	$233,550	$236,339
One-time Revenue Enhancements (described on the preceding page under that heading)					105,673	152,740	138,777		
TOTAL[8]	$3,058,803	$3,145,044	$3,054,268	$2,739,340	$3,007,020	$3,008,278	$3,087,841	$2,605,230	$2,732,977

(1) Revised.
(2) Preliminary, subject to revision.
(3) Based on the January 22, 2010 Economic Forum Forecast, adjusted for legislative action.
(4) Based on the December 1, 2010 Economic Forum Forecast.
(5) Not available to the General Fund after June 30, 2011, unless extended by the State Legislature.
(6) Rate increased by 2009 State Legislature; increase expires June 30, 2011.
(7) Advance payment required in FY 2009, 2010 and 2011.
(8) Numbers may not add due to rounding.

Source: State Department of Administration.

The following table reflects General Fund appropriations and estimates of appropriations for the fiscal years shown.

Table 13
General Fund Appropriations
(Dollar Amounts in Thousands)

Fiscal Year Ended	Actual Appropriations [1]				2009 Legislatively Approved Appropriations[1]	
June 30	**2006**	**2007**	**2008** [2]	**2009** [2]	**2010**	**2011**
Constitutional Agencies	$ 80,800	$ 84,394	$ 93,115	$ 102,613	$ 96,497	$ 99,649
Finance & Administration	74,893	98,184	52,601	71,984	36,550	34,125
Education	1,498,319	1,651,457	1,876,914	2,100,273	1,761,814	1,851,859
Human Services	773,741	872,792	919,006	1,008,003	893,988	1,027,612
Commerce & Industry	50,229	49,590	51,943	53,231	42,883	42,764
Public Safety	247,173	276,703	318,481,	349,289	312,237	244,605
Infrastructure	26,877	29,339	35,952	33,537	28,664	28,533
Special Purpose Agencies	5,515	5,822	6,480	7,679	5,632	5,532
TOTAL	$2,757,547	$3,068,281	$3,354,491	$3,726,608	$3,178,264	$3,331,680

(1) Legislature approved appropriations, including supplemental appropriations approved by the State Legislature.
(2) Revised to reflect ARRA funding, which provided additional operating support in lieu of General Fund dollars.

Source: Nevada Legislative Appropriations Report, October 2007 and October 2009.

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Table 14
General Fund Unappropriated Balances

(Dollar Amounts in Millions)

Fiscal Year Ending June 30	2008[1]	2009[1]	2010[1]	2011[2]	2011[3]
General Fund Resources:					
Unappropriated General Fund Balance - July 1	$137.70	$315.70	$211.87	$316.25	$316.25
Unrestricted General Fund Reversions	$43.10	$83.95	$32.25	$47.50	$47.50
Unrestricted General Fund Revenue					
Economic Forum / Legislature Approved / Actual	$3,054.30	$2,739.34	$3,007.02	$3,091.14	$3,087.84
Sawyer Office Building Settlement	5.20	--	--	--	--
Transfer from Bond Interest and Redemption Account	18.00	--	--	--	--
Transfer from Fund to Stabilize the Operation of State Government	195.00	72.00	--	--	--
25th Special Session - Line of Credit	--	--	--	--	--
25th Special Session - Non-General Fund Sources	--	66.32	--	--	--
25th Special Session - Budget Reserves	--	30.00	--	--	--
Transfers and Reversions from Various Accounts	--	19.80	--	--	--
Transfer from Healthy Nevada Fund	--	18.95	--	--	--
Transfer from Public Health Trust Fund	--	41.23	--	--	--
Budget Reserves / Reductions	289.40	398.63	--	--	--
Increased FMAP – Reserves	--	72.21	--	--	--
State Fiscal Stabilization – Reserves	--	128.61	--	--	--
Transfer from Financial Institutions Investigation (S.B. 431)	--	0.51	--	--	--
Total Adjustments to Unrestricted General Fund Revenue	--	--	--	--	--
Line of Credit - Local Government Pooled Investment Fund (A.B. 562)	--	--		--	--
Fund Sweeps			108.53	58.87	58.87
Additional Capital Improvement Fund Reversions			2.14	--	--
Revenue Collections, Redirections & Fund Transfers				14.76	14.76
Total Unrestricted General Fund Revenue	$3,561.80	$3,587.61	$3,117.70	$3,164.77	$3,161.47
Restricted General Fund Revenue					
Unclaimed Property - Millennium Scholarship	$7.60	--	$3.80	$3.80	$3.80
Quarterly Slot Tax - Problem Gambling	1.60	1.57	1.66	1.68	1.68
Total Restricted General Fund Revenue	$9.20	$1.57	$5.46	$5.48	$5.48
General Fund Resources	$3,751.90	$3,988.83	$3,367.28	$3,534.00	$3,530.70
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	($3,267.00)	($3,487.13)	($3,211.46)	($3,336.98)	($3,336.98)
Supplemental Appropriations	--	(326.97)	81.75	--	--
Operating Appropriations Transfers Between Fiscal Years	(87.50)	87.50	(70.72)	89.82	89.82
Capital Improvement Program - 2007 Legislature	(37.80)	--	--	--	--
One-Time Appropriations - 2007 Legislature	(29.80)	(8.09)	--	--	--
One-Time Appropriations - 2009 Legislature	--	(7.17)	(2.26)	--	--
General Fund Payback - Line of Credit	--	--	--	--	--
Restoration of Fund Balances	--	--	(16.15)	--	--
Cost of Regular and Special Sessions of Legislatures	--	(15.00)	(0.35)	(15.00)	(15.00)
Additional Federal Funds Offsetting General Fund Appropriations			169.41	11.71	11.71
Fee Increases Used to offset Appropriations			0.42	5.57	5.57
DSA Supplemental Appropriation				(149.55)	(149.55)
Operating Appropriations – 26th Special Session				(2.86)	(2.86)
Operating Appropriations – 26th Special Session – Due to Transfer of ARRA				(164.57)	(164.57)
Reduction to Operating Appropriations – 26th Special Session			82.69	234.99	234.99
Total Unrestricted Appropriations / Transfers	($3,422.10)	($3,775.97)	($3,049.37)	($3,326.87)	($3,326.87)
Restricted Transfers					
Millennium Scholarship	($7.60)	--	--	--	--
Problem Gambling	(1.60)	(1.57)	(1.66)	(1.68)	(1.68)
Disaster Relief Account	(2.00)	(0.25)	--	--	--
Total Restricted Transfers	($11.20)	($1.82)	($1.66)	($1.68)	($1.68)
Adjustments to Fund Balance	($2.90)	$0.83	--	--	--
Total Appropriations / Transfers	($3,436.20)	($3,776.96)	($3,051.04)	($3,328.55)	($3,328.55)
Unappropriated General Fund Balance - June 30	$315.70	$211.87	$316.25	$205.45	$202.15
5% Minimum Ending Fund Balance	$167.70	$187.29	$151.53	$165.59	$165.59
Difference	$148.00	$24.59	$164.72	$39.86	$36.56

[1] Actual revenues and expenditures. Amounts for FY 2010 are unaudited.
[2] Revenue projections are from the January 22, 2010 Economic Forum Forecast, as adjusted for legislative action.
[3] Revenue projections are from the December 1, 2010 Economic Forum Forecast.

Source: Nevada Legislative Appropriations Report, October 2009; and State Department of Administration.

General Fund Balance

The General Fund balance presented in the following table represents only the unappropriated portion of the General Fund balance and is determined on the budgetary or cash basis method of accounting. The General Fund balance as presented in the 2009 Financial Statements in the Required Supplementary Information, Budgetary Comparison Schedule section is also determined on the budgetary basis of accounting, but includes both appropriated and unappropriated components. The fund balance for the General Fund in the Balance Sheet section of the 2009 Financial Statements is determined on a GAAP basis. Budgetary basis and GAAP basis General Fund balances as of June 30, 2008 and June 30, 2009 are reconciled as follows:

Table 15
General Fund Balance

	June 30, 2008	June 30, 2009
Unappropriated General Fund Balance	$ 137,719,051	$ 315,698,733
Reserved General Fund Balance, Budgetary Basis	560,829,228	162,259,816
Total General Fund Balance, Budgetary Basis	698,548,279	477,958,549
Accrued Medicaid Receivable	114,807,771	138,842,489
Receivables Recorded as Budgetary Expenditures	11,798,284	4,199,137
Encumbrances Recorded as Budgetary Expenditures	7,280,077	6,647,118
Accrued Medicaid Liability	(218,099,869)	(217,155,518)
Deferred Gaming Taxes	(118,556,832)	(102,396,899)
Deferred Revenue-Welfare Title XIX	(57,757,622)	(63,361,388)
Liabilities Recorded as Budgetary Revenues	(71,045,669)	(51,870,031)
Other	32,776,670	(41,371)
Total General Fund Balance, GAAP Basis	$ 399,751,089	$ 192,822,086
Other Reservations	$ 15,088,430	$ 13,511,628
Unreserved, designated for balances forward	350,327,548	178,611,297
Unreserved, designated for approved capital projects	1,937,227	699,161
Unreserved, undesignated	32,397,884	0
Total General Fund Balance, GAAP Basis	$ 399,751,089	$ 192,822,086

Fund to Stabilize the Operation of State Government

The fund to Stabilize the Operation of State Government (the "Stabilization Fund," which is sometimes referred to as the "Rainy Day Fund") is a special revenue fund established under NRS 353.288. Money from the Stabilization Fund may be appropriated only if total General Fund revenue for the biennium falls short of the anticipated amount by 5% or more, or if the State Legislature and the Governor declares that a fiscal emergency exists.

An appropriation of $34,000,000 to the Stabilization Fund in FY 2007 (following deposits totaling $86,467,240 in the previous year) brought the Stabilization Fund balance to $267,632,516 as of June 24, 2008. The State Legislature, in the June 27, 2008 special session, authorized a transfer from the Stabilization Fund to the General Fund of $267,000,000, a portion of which was allocated to each of FY 2008 and FY 2009. As of July 1, 2009 the Stabilization Fund balance was essentially depleted.

The 2009 Legislature revised the administration of the Stabilization Fund to increase contributions to this fund in future years. Commencing with FY 2012, the State Controller is required to transfer from the State General Fund to the Stabilization Fund at the beginning of each fiscal year 1% of the total anticipated revenue projected for that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted by any legislation enacted by the State Legislature that affects state revenue for that fiscal year. Also, the State Legislature increased the maximum balance allowed in the Stabilization Fund from 15% to 20% of the total of all appropriations from the State General Fund for the operation of the State Government and the funding of schools.

No contribution is expected to the Stabilization Fund during current budget biennium.

Recent Developments in State Revenues, Revenue Forecasts and Budgets

The State, along with many other states and municipalities throughout the nation, is going through a period of economic weakness. Major factors driving the slowdown in the State include the impacts of credit market difficulties on the State's construction sector, especially in residential housing. The recession has also produced a serious retrenchment in consumer discretionary spending, partly related to rising unemployment nationwide. This has impacted the State's gaming and leisure and hospitality sectors, which in turn have put downward pressure on the State's other economic sectors. As a consequence, unemployment in the State has risen to more than 14% and the percentage of homes in foreclosure is higher than anywhere else in the nation.

The State's two largest General Fund revenue sources — sales and use tax and gaming collections — have also fallen during the past three fiscal years because they were linked to new construction expenditures and to consumers' ability to make discretionary expenditures. Lower revenues coupled with higher caseloads for social services occurring because of the State's economic distress have been challenging. However, the Governor and Legislature have utilized a variety of tools at their disposal to address these challenges. Declining revenues have required that the Economic Forum produce revised forecasts and that the Governor call the State Legislature into special sessions to make the revisions required in order for the State to maintain a balanced budget.

The various options used to produce the State Legislature's approved budget in June 2009 had to be revisited in February 2010 when, because of further declines in revenues, the Economic Forum was called to reforecast the amount of money available. The May 1, 2009 Economic Forum Forecast for FY 2010 and FY 2011 was revised on January 22, 2010. The January 22, 2010 Economic Forum Forecast made further reductions in expected revenues in FY 2010 and FY 2011. The budgetary consequences of the revised revenue forecast were addressed by the 26th Special Session of the State Legislature. The most recent projections of State revenues are reflected in the December 1, 2010 Economic Forum Forecast, attached as Appendix C to this Part II of this Official Statement. At this time, the Economic Forum has made no revenue projections beyond June 30, 2013. No assurances can be given that the December 1, 2010 Economic Forum Forecast will accurately reflect the revenues actually received by the State during the 2011-2013 biennium, or that the projections will not further change. Updated revenue figures will periodically be made available by the State. The State cannot provide assurances that those areas showing revenue slowdown or decline will reverse direction, or that other areas will not experience slowdown or decline or otherwise be affected.

The budget for the 2009-2011 biennium (FY 2010 and FY 2011) was balanced using the $3.2 billion shown below, which included many one-time revenues and temporary revenue enhancements enacted during the 2009 Regular Session and the 26th Special Session in January 2010:

Measures used to balance 2009-2011
Biennium expenditures to forecast revenues

			Millions
1.	Cuts to agency operating budgets		$317.7
2.	Furloughs and frozen merit increases and longevity pay		480.0
3.	Use of excess reserves and contingency accounts		184.3
4.	Reduced support for Capital Improvement Programs		341.6
5.	Revenue enhancements*		
	a.	Annual business licenses fee increase	83.1
	b.	Governmental services tax depreciation allowance decrease	94.2
	c.	Modified Business Tax rate increase for payrolls over $250,000 (the rate for payrolls under $250,000 decreased)	345.7
	d.	Lower tax collection allowance for merchants	33.4
	e.	Room tax from Initiative Petition I	219.9
	f.	Redirection of various local revenues to the General Fund	210.4
	g.	Other revenues enhancements	32.9
6.	Increase in Local School Support Tax rate (which relieves the General Fund's obligation for the Distributive School Account)		242.6
7.	ARRA funds (not including spending on one time projects)		
	a.	State Fiscal Stabilization	72.2
	b.	Education	184.8
	c.	Medicaid	334.7
Total			$3,177.5

* Estimated amounts based on May 1, 2009 Economic Forum Forecast. (See Nevada Legislative Appropriations Report, 75th Legislative Session, for FY 2010 and FY 2011, page 6.)

2011-2013 Biennium Budget Outlook

The State again faces challenges in balancing its budget in the upcoming two-year biennium of FY 2012 and FY 2013. Some reports indicate that the total two-year budgetary shortfall may be as high as $3 billion.

Consistent with State law appropriations for the 2011-2013 biennium must be balanced to meet forecasted revenues (although State law permits the proceeds of borrowings to be utilized to satisfy this requirement). The State has many budgetary tools which it can use to meet its budget including:

- Further cuts to agency operating budgets
- Continuation of furloughs, freezing of merit increases and layoffs
- Continuation of revenue enhancements that are currently scheduled to expire on June 30, 2011
- New revenue enhancements
- Delegation of certain functions and/or cost sharing with local governments or private enterprises.

The Governor's proposed budget must be submitted to the State Legislature in mid-January 2011 based on forecasted revenues provided by the Economic Forum on December 1, 2010. The State Legislature will next convene on February 7, 2011 and the Economic Forum will provide revised forecasts in May 2011. The State Legislature is bound by these revenue estimates in adopting the biennial budget submitted by the Governor.

Pension Plans

The following is a brief summary of the State's disclosure relating to the State's pension systems and is qualified in its entirety by reference to the complete discussion of the State's pension systems that is attached as Attachment I to this Part II.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to full-time State employees and to full-time employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators, and the Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to judges of courts that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. A summary description of PERS, LRS and JRS is set forth in Note 9 to the 2009 Financial Statements included in this Official Statement as Appendix A to this Part II, and the Schedule of Funding Progress for LRS and JRS as of January 1, 2009 is included in the Required Supplementary Information to the 2009 Financial Statements. The most recent valuation reports for PERS, LRS and JRS, each dated November 1, 2010, were prepared as of June 30, 2010, July 1, 2010 and July 1, 2010, respectively, and are described in Attachment I to this Part II.

The largest State pension system is PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees Retirement Fund (the "PERS Retirement Fund"). PERS is governed by Chapter 286 of Nevada Revised Statutes (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. Employers that participate in PERS as of June 30, 2010 include the State, 20 State-related boards and agencies and 162 local governments and related districts and agencies. As of June 30, 2010, PERS includes 102,594 active members, of whom 90,219 are Regular employees and 12,375 are Police/Fire employees; 11,807 inactive members; and 43,919 retirees and beneficiaries, of whom 38,400 are Regular retirees, survivors or disability recipients and 5,519 are Police/Fire retirees, survivors or disability recipients.

Measured by the number of covered employees, the State was the second-largest PERS employer in the FY 2010, representing approximately 16.5% of PERS employees. The State's annual contribution to PERS was \$136,270,000 in FY 2007, \$146,754,000 in FY 2008 and \$153,768,000 in FY 2009 and is expected to be \$164,630,000 in FY 2010. See Note 9 to the 2009 Financial Statements and Table 2 in Attachment I to this Part II. Legislation was enacted in 2009 modifying benefits for members first hired on or after January 1, 2010. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase, despite the statutory changes to benefits for members hired after January 1, 2010.

As of June 30, 2010, PERS had total net assets (based on market value) of approximately \$20.91 billion, compared to \$18.77 billion as of June 30, 2009. As of June 30, 2010, the actuarial value of PERS assets was \$24.72 billion (approximately 118.4% of market value), PERS was 70.5% funded and PERS' unfunded accrued actuarial liability (the "UAAL") was \$10.35 billion.

See Attachment I to this Part II.

Public Employees' Benefits Program

The following is a brief summary of the State's disclosure relating to the State's public employees benefits program and is qualified in its entirety by reference to the complete discussion of the State's pension systems that is attached as Attachment II to this Part II.

The State's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of nine members, including the Director of the Department of Administration (or his designee) and eight members appointed by the Governor and administers PEBP.

PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) a self-insured preferred provider organization ("PPO Plan"), for which PEBP assumes all risk and responsibility for paying the claims by participants in the PPO Plan, and (ii) Health Maintenance Organizations ("HMO Plans") that are fully insured by outside insurance carriers and for which PEBP is responsible for paying the insurance premiums. Approximately 70% of PEBP participants participate in the PPO Plan. PEBP also offers accidental death and dismemberment coverage, long-term disability and life insurance benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 Legislature made several changes to retirement and health benefits for public employees and retirees and in 2010 the PEBP Board approved additional reductions in benefits and increases in employee and retiree contributions to satisfy the subsidy target established by the Budget Division for the 2011-2013 biennium.

Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agency contracting with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction certain eligibility requirements set forth in the Nevada statutes. As of June 30, 2010, approximately 125 State and local government agencies are billed for retiree subsidies.

PEBP is funded through a combination of contributions from employers, employees and retirees. Funds are deposited into the Self Insurance Trust Fund. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO Plan or premiums for the HMO Plans. The State employee is responsible for paying to PEBP the difference between the required contribution or premium for the year and the amount subsidized by the State, as well as the costs of the contribution or premium for any covered dependents through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions or premiums for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees' Health and Welfare Benefits Fund ("Retirees' Fund"), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. The retiree is responsible for paying to PEBP the difference between the required contribution or premium for the year and the amount subsidized by the State, as well as the costs of the contribution or premium for any covered dependents.

For FY 2007, 2008, 2009 and 2010, the State and its component units contributed $184,517,303, $198,233,028, $212,081,106 and $229,628,416, respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2011 is $251,478,268. The level of future required contributions depends on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in benefits. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Significant financial deficits in 1997, 1998 and 2002 required two additional appropriations from the State Legislature in 1999 and 2002 totaling $44 million. The participating employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies. In July 2006, 2007 and 2008, premium holidays were awarded to draw down excess reserves created by changes in plan design in 2004 and 2005. During the budget building process in 2008 and 2010, the Department of Administration, Budget Division provided specific limits to PEBP in the amount of the State subsidy that would be provided in the subsequent biennium. Such limits resulted in reduction to benefits, reductions to employer contributions and increases to participant contributions. For example, to address budget concerns, the PEBP Board made several changes to retirement and health benefits for plan participants. These changes resulted in a decrease of $53 million of the State's aggregate employee and retiree subsidies for the 2009-2011 biennium. For the 2011-2013 biennium, the Department of Administration, Budget Division instructed the PEBP Board to keep the State active and retiree subsidies at the same levels as was approved for FY 2011, capping the combined subsidy levels for the biennium at $500 million. The FY 2011 benefit plans and subsidization policies, taking into account cost estimates provided by PEBP's actuaries, would have required State subsidies in the aggregate amount of $611.2, resulting in a $111.2 million shortfall. To meet the subsidy target established by the Budget Division, in August 2010 the PEBP Board approved reductions in benefits and increases in employee and retiree contributions, effective July 1, 2011. In addition, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed state agencies to reduce their contributions for retiree health insurance by $24.7 million for FY 2011. The difference will be paid through monthly reductions to the Retirees' Fund balance.

The State Legislature established the Retiree's Fund in 2007 as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees' Fund is administered by the PEBP Board. Due to state-wide revenue shortfalls, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed state agencies to reduce their contributions for retiree health insurance by $24.7 million for FY 2011. The reduced contributions required that PEBP withdraw $24.7 million from the Retirees' Benefits Investment Fund to cover retiree subsidies. As of June 30, 2010, the Retirees' Fund had total assets of $32,618,562, of which $760,739 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $29,257,133 were held by the State's General Portfolio administered by the Nevada State Treasurer. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

In October 2010, AON Consulting (the "Actuary") released its *Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final* for the year ending June 30, 2010 (the "2010 Valuation"). The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2010, the present value of the benefits of the Plan is $3,263,363,000 according to the 2010 Valuation. Of this amount, 73% is allocable to currently active employees (future retirees). The 2010 Valuation did not include the $111.2 million in reductions in benefits and increases in employee and retiree contributions effective as of July 1, 2011 approved by the PEBP Board in August 2010.

As described above, the recent actions by the State Legislature will result in a decrease in the amount of money invested for pre-funding the State's OPEB liability from over $25 million to approximately $800,000 during FY 2011. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

See Attachment II to this Part II.

Insurance Premium Trust Fund

The State is self-insured for general, civil and vehicle liability. See “STATE LITIGATION” below for a description of the statutory limit on the State’s negligence or tort liability. The State is also self-insured for comprehensive and collision loss to automobiles and self insured to $250,000 for property loss with commercial insurance purchased to cover the excess above this amount. The State currently carries commercial insurance for aircraft liability, crime, excess liability, directors and officer’s liability and workers’ compensation. The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. The range of losses for this has been estimated to be from $6.6 million to $28.7 million.

The State pays these claims from the Insurance Premium Trust Fund that is funded from amounts charged to each State agency. The Insurance Premium Trust Fund is shared by both the Nevada Attorney General’s Office and the Nevada Risk Management Division as claims administration is split between the two agencies. The Attorney General’s Office is responsible for administering tort claims (including general, civil, vehicle liability), while the Risk Management Division administers auto, property and workers compensation programs. As of June 30, 2009, the Insurance Premium Trust Fund is liable for approximately $28.3 million in potential claims settlements, which has yet to be funded. See Note 10B to the 2009 Financial Statements attached as Appendix A to this Part II for more information about the Insurance Premium Trust Fund.

STATE LITIGATION

The staff attorneys of the Nevada Attorney General’s Office reported that the State or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State and based on the information provided by the staff attorneys, the State Attorney General is of the opinion that the State’s ability to pay its general obligation bonds will not be materially affected by this litigation, based on information known at the time this Official Statement was prepared.

Several of the actions pending against the State are based upon the State’s (or its agents’) negligence or tort liability in which the State must be named as a party defendant. However, there is a statutory limit to the State’s liability of $50,000 per claim for causes of action arising before October 1, 2007, which has increased to $75,000 per claim effective for causes of action arising on or after October 1, 2007. This will increase to $100,000 for causes of action arising on or after October 1, 2011. Buildings and contents are self-insured on a blanket replacement cost basis for all risks except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits that have been filed under the federal civil rights statutes. The State is statutorily required to indemnify its officers and employees held liable for damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several causes of action may be filed against the State based on alleged civil rights violations by its officers and employees. The statutory limit of tort liability (discussed above) does not apply in federal civil rights, federal discrimination and certain employment cases. Accordingly, the potential liability of the State is unascertainable at the present time.

All of the major casino entities have requested refunds of use tax paid to the State totaling approximately $150 million. Their claims are as a result of the decision by the Nevada Supreme Court in *Sparks Nugget, Inc. v. State of Nevada ex rel*. In that case, the Supreme Court ruled that use tax was not due on food which the casinos gave to their patrons and employees in the form of complimentary meals. However, the Supreme Court stated in a footnote that the food could be subject to sales tax where it is demonstrated that the food is given for consideration. The Department has not issued refunds. In the event that the Department of Taxation is required to refund the money, it will likely be refunded through offsets on future taxes collected. Believing that the food at issue was given for consideration, the State has pursued this issue at the administrative level. The administrative law judge ruled that the meals given to patrons are given for consideration and were therefore subject to sales tax but ruled that because the casino receives relatively more than the employee when the casino provides a meal to the employee, there was not adequate consideration to support a finding that a sale has taken place. It is anticipated that the taxpayer will appeal this decision.

Déjà vu Showgirls of Las Vegas, et al. v. Dept. of Taxation, et al., case No. A533273, and *K-Kel, Inc., dba Spearmint Rhino Gentlemen's Club, et al. v. Dept. of Taxation, et al.,* case No. A554970 are state district court actions against the Nevada Department of Taxation seeking declaratory and injunctive relief, damages and attorneys' fees and costs. Plaintiff seeks a declaration that the Live Entertainment Tax is unconstitutional on its face and a refund of all Live Entertainment Taxes paid. In FY 2006, the Nevada Department of Taxation collected approximately $8.7 million in Live Entertainment Tax. This amount is 7.4% of the approximately $117 million collected in FY 2006 by the Nevada Department of Taxation and the Nevada Gaming Control Board, collectively. The Gaming Control Board's collection of the Live Entertainment Tax has not, to the knowledge of the Attorney General's office, been challenged. However, if the tax is found to be facially unconstitutional, all taxes collected since 2004, approximately $700 million, may be subject to refund.

Southern California Edison sought a $36 million refund of use taxes paid arguing that coal used to produce electricity was not taxable. At the hearing which was held in late 2008, Southern California Edison's refund request was denied by the Nevada Tax Commission. Southern California Edison has since filed a complaint in state district court in Carson City requesting the court to review the matter de novo. The Department of Taxation has requested that the case be dismissed on the grounds that Southern California Edison's remedy is petitioning for judicial review, not review de novo, where there would be a re-presentation of the facts. The District Court agreed with the State that Southern California Edison is entitled to judicial review but not review de novo. Southern California Edison appealed and the issue is currently before the Nevada Supreme Court. The Nevada Supreme Court heard oral arguments on this issue in November 2010. A decision is not expected before 2011.

Two major Nevada power companies, collectively, NV Energy, have requested refunds of approximately $26 million for use tax paid on coal which is used to produce electricity. The Department of Taxation prevailed when the matter was presented before an administrative hearing officer. NV Energy has appealed that decision to the Nevada Tax Commission. Because the issue in this case is nearly identical to the issue in the Southern California Edison case, the Nevada Tax Commission is holding the issue in abeyance pending the outcome by the Nevada Supreme Court of the Southern California Edison case.

Consolidated matters of *M Resort and the Clean Water Coalition*. Section 18 of AB 6, passed during the 26th Special Session of the State Legislature held in January 2010, required the Clean Water Coalition to transfer $62 million, which is collected in the form of sewer connection and user charges, to the State Treasurer for deposit into the State General Fund. The M Resort has alleged that it and others from whom fees were collected are entitled to the money and if the money is deposited into the general fund that that constitutes a taking. The parties have filed dispositive motions and believe the matter will be decided on motion. If the State prevails, the CWC will simply be required to forward the $62 million to the State Treasurer for deposit into the General Fund. If the CWC and M Resort prevail, the money, which has been included in the State's budget will leave a budget deficit. See "FINANCIAL INFORMATION" in this Part II.

In *McCleary v. State of Nevada, et al.*, the plaintiff is alleging that improper dumping of sand, gravel, decomposed granite, and debris from the Marlette Lake Water System into McEwen Creek has clogged two irrigation and reservoir systems, making them inoperable since 2005. Plaintiffs are claiming damages in excess of $5 million on the grounds that the inoperability has prevented the growth of crops and grazing and other agricultural business or recreational use; damaged the dams, reservoirs, irrigation gates and boxes; and promoted the growth of invasive weeds.

In *State of Nevada v. Lehman Brothers Commercial Bank*, Case No. 08 OC 00375IB, in the First Judicial District Court of the Sate of Nevada, the State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between it and Lehman Brothers Commercial Bank, a Utah industrial bank ("LBCB"). When the State entered into the forward delivery investment agreement in June of 2002, it received a fee of $20,475,000 in exchange for agreeing to purchase certain specified U.S. Treasury securities of various maturities and principal amounts at different times between June 30, 2002 and November 15, 2027. In January of 2009, LBCB (now known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgment action and a counterclaim requesting a judgment in favor of LBCB in the declaratory relief claim, and seeking other relief, including an award of damages against the State. LBCB's expert has stated that the contractual value of the remainder of the contract exceeds $30 million. While the State believes it has a meritorious claim for declaratory relief and meritorious defenses to LBCB's counterclaim, the State cannot at this time predict the outcome of this action. The parties are currently discussing a possible settlement. In the event the matter cannot be settled, the State is prepared to file a dispositive motion, which would likely be heard in calendar year 2011.

Drive Time Car Sales, Inc. This matter involves the first in a series of tax refund requests, each on the order of $1 million. The issue relates to who may make a request for a refund of sales tax paid when an amount is written off as bad debt. Written briefs have been submitted to the Nevada Supreme Court and the parties are awaiting word from the Court on whether they will hear oral argument.

Snow v. McDaniel, et al. In this case a prison inmate has alleged that he received inadequate medical care (deliberate indifference) while incarcerated in violation of the 8th Amendment prohibition against cruel and unusual punishment. The Nevada Department of Corrections prevailed on summary judgment in federal district court and the inmate has appealed. The matter is scheduled for mandatory mediation before the Ninth Circuit. The inmate has claimed damages of approximately $1 million.

Washoe County v. State Board, et al. Washoe County has appealed the State Board's 2006-2007 tax year decision which rolled back property tax values on approximately 8,700 properties in or near Incline Village, Nevada to the 2002-2003 valuation. Owners of those properties have consolidated requests for refund of overpayment of property taxes of approximately $20 million. If the State Board's decision is upheld by the Nevada Supreme Court, the State would be liable to the homeowners but only for the State's portion of those taxes.

Ames v. State of Nevada. In this case, the construction contractor has sued the State for breach of contract. The vendor was hired by the State in connection with the construction of phase one of the Carson Freeway. The state district court dismissed many of the common law claims. The plaintiffs have demanded $40 million.

Gypsum v. Masto. Federal District Court held that SB 358 of the 2003 legislature was unconstitutional. The State has appealed to the 9th Circuit. SB 358 froze the zoning in the area surrounding the Red Rock Canyon National Conservation Area. Although the action sought no money damages other than attorney's fees, if the State does not prevail, those fees could exceed $1 million.

Harrah's Operating Co. v. State of Nevada ex rel. Department of Taxation. This matter relates to aircraft purchased by Harrah's on which it paid approximately $8.6 million in use tax. Harrah's has sought a refund of those amounts. At the administrative hearing and the administrative appeal, Harrah's refund was denied. Harrah's has appealed to the state district court and has requested a trial de novo.

[Ingram] United States of America v. State of Nevada. Uniformed Service Employment and Reemployment Rights Act (USERRA) claim where it is alleged that the State must reemploy. Discovery is ongoing. Plaintiff has requested $1.2 million.

Sierra Nevada Southwest Enterprises, Ltd. v. Jason King, P.E., Nevada State Engineer. The State Engineer denied the plaintiffs request for change in place and manner of use of a supplemental ground water right. In turn, the plaintiff sued alleging damages in excess of $12 million.

Masco Cabinets v. State ex rel. Department of Taxation. Masco requested refund of approximately $2 million for overpayment of use tax. Department of Taxation denied the request. The matter is currently pending before the Nevada Supreme Court on the issue of whether the Nevada Tax Commission acted arbitrary and capricious when it overturned the decision of the hearing officer.

There are a number of other claims affecting the State, but the State estimates that its potential liability for any single claim not described above will not exceed $1 million.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

This portion of Part II of this Official Statement contains general information concerning the economic and demographic conditions in the State. It is provided so that prospective investors will be aware of factors that may affect future development and growth within the State. The information presented was obtained from the sources indicated, and the State does not guarantee or make any representation as to the accuracy or completeness of the data presented.

Population and Age Distribution

Nevada's population increased from 1,201,833 residents in 1990 to 1,998,257 residents in 2000 and to 2,711,206 residents in 2009, an increase of approximately 66% between 1990 and 2000 and approximately 126% between 1990 and 2009. A decrease of 2.6% is projected for 2010 population when compared to 2009. Historical and estimated State population figures, by county, are shown in the following table:

Table 16
Nevada Population by County

	1990	2000	2006	2007	2008	2009	2010[1]
Carson City	40,443	52,457	57,701	57,723	57,600	56,506	55,188
Churchill	17,938	23,982	27,371	27,190	26,981	26,859	26,357
Clark	741,459	1,375,765	1,874,837	1,954,319	1,967,716	1,952,040	1,902,502
Douglas	27,637	41,259	51,770	52,386	52,131	51,390	50,355
Elko	33,530	45,291	48,339	50,434	50,561	51,325	52,042
Esmeralda	1,344	971	1,262	1,236	1,240	1,187	1,158
Eureka	1,547	1,651	1,460	1,458	1,553	1,562	1,559
Humboldt	12,844	16,106	17,751	18,052	18,014	17,690	17,511
Lander	6,266	5,794	5,655	5,747	5,891	6,003	5,952
Lincoln	3,775	4,165	3,987	4,184	4,352	4,317	4,238
Lyon	20,001	34,501	54,031	55,903	55,820	53,825	52,470
Mineral	6,475	5,071	4,399	4,377	4,401	4,474	4,524
Nye	17,781	32,485	44,795	46,308	47,370	46,360	44,844
Pershing	4,336	6,693	6,955	7,075	7,192	7,149	7,069
Storey	2,526	3,399	4,110	4,293	4,384	4,317	4,148
Washoe	254,667	339,486	409,085	418,061	423,833	416,632	402,001
White Pine	9,264	9,181	9,542	9,590	9,694	9,570	9,495
Nevada Total	1,201,833	1,998,257	2,623,050	2,718,337	2,738,733	2,711,206	2,641,413

[1] The information for 2010 is based upon projections from The Nevada State Demographer's Office.

Source: 1990 and 2000: U.S. Bureau of the Census; 2006-2010: Nevada State Demographer.

The following table sets forth a comparative age distribution profile for Clark County, Washoe County, the State and the United States:

Table 17
Age Distribution

Percent of Population				
Age	**Clark County**	**Washoe County**	**State**	**United States**
14 and under	22.3%	20.5%	21.7%	20.1%
15-24	12.6	13.4	12.9	14.1
25-34	15.8	14.1	14.7	13.5
35-54	28.0	27.8	28.0	28.1
55 and older	21.2	24.2	22.7	24.2

Source: U.S. Census Bureau, 2009 American Community Survey.

Income

The following table sets forth annual per capita personal income levels of the Las Vegas-Paradise MSA (which is comprised of Clark County), the Reno-Sparks MSA (which is comprised of Washoe County and Storey County), the State and the United States:

Table 18
Per Capita Personal Income Groups

Year	**Las Vegas-Paradise MSA**	**Reno-Sparks MSA**	**State**	**United States**
2005	$37,555	$42,959	$38,117	$35,424
2006	38,730	44,000	39,231	37,698
2007	39,945	47,401	40,930	39,392
2008	39,920	46,929	40,936	40,166
2009(1)	37,457	43,986	38,578	39,138

(1) Preliminary, computed using Census Bureau mid-year population estimates.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following tables depict Median Household Income and Percent of Households by Income Groups for Clark County, Washoe County, the State and the United States.

Table 19
Median Household Income

Year	Clark County	Washoe County	State	United States
2005	$49,571	$48,868	$49,169	$46,242
2006	53,536	52,297	52,998	48,451
2007	55,996	54,343	55,062	50,740
2008	56,696	57,392	56,361	52,029
2009	53,505	52,833	53,341	50,221

Source: U.S. Census Bureau, 2009 American Community Survey.

Table 20
Percent of Household by Income Groups

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under $25,000	20.0%	22.3%	20.6%	24.7%
$25,000-$34,999	11.3	10.7	11.0	10.7
$35,000-$49,999	15.1	14.5	15.0	14.4
$50,000 and Over	53.6	52.5	53.4	50.2

Source: U.S. Census Bureau, 2009 American Community Survey.

Employment

The following table sets forth labor force and employment statistics for the State. The State has experienced high rates of unemployment. In September 2010, the State's unemployment rate reached 14.4%, the highest state-wide unemployment rate in the nation, and in October 2010, the State's unemployment rate decreased to 14.2%, the first decrease since 2007.

Table 21
Average Annual Labor Force Summary[(1)]

Calendar Year	2005	2006	2007	2008	2009	2010[(4)]
Total Labor Force	1,228,339	1,276,560	1,312,995	1,347,259	1,369,891	1,374,554
Unemployed	54,914	55,193	62,409	90,444	161,270	187,799
Unemployment Rate[(2)]	4.5%	4.3%	4.8%	6.7%	11.8%	14.0%
Total Employment[(3)]	1,173,425	1,221,367	1,250,586	1,256,815	1,208,621	1,186,755

(1) Subject to revision.
(2) According to the U.S. Department of Labor, Bureau of Labor Statistics, the U.S. average unemployment rates for the years 2005 through 2009 were 5.1%, 4.6%, 4.6%, 5.8% and 9.3% respectively.
(3) Adjusted by census relationships to reflect number of persons by place of residence.
(4) Through September 2010. Subject to adjustment.

Source: State of Nevada - Department of Employment, Training and Rehabilitation.

Table 22
Average Establishment-Based Industrial Employment by Calendar Year[(1)]
(Estimates in Thousands)

NAICS Classification	2005	2006	2007	2008	2009	2010[(2)]
Natural Resources and Mining	10.7	11.6	12.0	12.2	11.6	11.7
Construction	134.7	142.9	133.7	116.5	81.5	63.2
Manufacturing	48.0	50.4	50.2	48.2	40.2	38.8
Trade (wholesale and retail)	168.3	175.5	179.2	177.2	170.5	158.9
Transportation, Warehousing and Utilities	46.5	50.4	53.5	54.3	50.8	48.9
Information	14.7	15.2	15.6	15.0	13.1	12.3
Financial Activities	64.3	65.3	64.6	61.3	55.6	53.1
Professional and Business Services	146.4	157.9	159.0	152.0	136.1	136.3
Education and Health Services	84.3	87.7	91.9	95.7	97.5	99.4
Leisure and Hospitality (casinos excluded)	112.9	120.3	126.7	129.1	119.8	119.9
Casino Hotels and Gaming	214.2	216.7	212.6	203.4	187.9	182.6
Other Services	33.9	35.5	36.5	36.6	33.8	34.4
Government	144.2	150.2	157.0	162.2	158.4	154.6
Total all industries	1,223.0	1,279.6	1,292.5	1,263.6	1,148.5	1,114.1

(1) Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple jobholders. Subject to revision. Totals may not add due to rounding.
(2) Through September 2010. Subject to adjustment.

Source: Nevada Department of Employment, Training and Rehabilitation.

Educational Attainment

The following table sets forth educational attainment statistics for the State.

Table 23
Educational Attainment
(Civilian Labor Force Aged 16 and Older)

Nevada State-wide Educational Attainment Level	Male	Female	Total[1]
Total Civilian Labor Force	55.0%	45.0%	100.0%
Not a high school graduate	10.9%	7.3%	18.3%
High school graduate (including equivalency)	15.6%	12.8%	28.4%
Some college or associate degree	18.2%	16.8%	34.9%
Bachelor's degree	6.9%	5.6%	12.5%
Graduate or Professional Degree	3.4%	2.6%	6.0%

(1) Totals may not add exactly due to rounding.

Source: U.S. Census, Research & Analysis Bureau, May 2004-Data source is 2000 Census Special EEO Tabulation.

Sales and Use Tax

Aggregate sales and use taxes imposed in Nevada's counties range from 6.85% to 8.1% (Clark County). The State General Fund's share (2%) is a major source of revenue for the State's General Fund. See "FINANCIAL INFORMATION—State General Fund Revenue Sources." Sales and use taxes have fallen significantly in the last three fiscal years due to decreased discretionary consumer spending. Clark County and Washoe County are the major sources of taxable sales revenue in the State. The following table presents a record of taxable sales in the State:

Table 24
Transactions Taxable Under the Nevada Sales and Use Tax Laws[1]

Fiscal Year Ended June 30	Taxable Sales	Percentage Change
2005	$44,192,447,817	14.77%
2006	48,581,095,724	9.93
2007	49,427,707,106	1.74
2008	48,196,848,945	-2.49
2009	42,086,614,338	-12.68
2010	37,772,066,777	-10.25
July 09 – Sept 09	$9,328,228,333	-
July 10 – Sept 10	$9,708,904,416	4.1%

(1) Subject to change.

Source: State of Nevada, Department of Taxation.

Gaming and Tourism

The economy of Nevada is largely dependent upon a tourism industry based upon legalized gaming and related forms of entertainment. The industry represents a significant source of revenues to the State, County and local jurisdictions in which gaming companies operate. Gaming collections have fallen significantly in the last three fiscal years due to decreased discretionary consumer spending. The following table represents a record of gross taxable gaming revenues in the State and total State taxes and fees collected.

Table 25
Gross Taxable Gaming Revenues and Total Gaming Taxes[1]

Fiscal Year Ended June 30	Gross Taxable Gaming Revenue[2]		State Gaming Collection[3]	
	State Total	% Change	State Total	% Change
2003	$9,280,010,626	2.1%	$ 721,835,199	1.4%
2004	9,927,453,718	7.0	854,515,140	18.4
2005	10,609,819,932	6.9	904,122,239	5.8
2006	11,802,532,867	11.2	1,002,447,124	10.9
2007	12,220,635,559	3.5	1,036,688,550	3.4
2008	11,925,067,415	-2.4	980,052,427	-5.5
2009	10,240,320,805	-14.1	858,007,713	-12.5
2010	9,667,259,700	-5.6	829,289,514	-3.3
Jul 09 – Sept 09	$ 2,439,489,754	--	$ 179,375,207	--
Jul 10 – Sept 10	$ 2,462,306,387	0.94%	$ 177,454,895	-1.07%

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
(3) Based upon the taxable revenues generated in the previous month. Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

Source: State of Nevada - Gaming Control Board.

Gaming is a highly regulated industry. The five-member Nevada Gaming Commission and the three-member Nevada Gaming Control Board, both appointed by the Governor, investigate and approve all licenses, establish operating rules, monitor the activities of licensed establishments and collect State gaming fees and taxes. In addition to the State, local governments also license, levy taxes and regulate gaming establishments and licensees. The laws, regulations and ordinances of both state and local governments regulate the licensing, operations and financial stability of the businesses as well as the background and character of the owners, managers, and persons with financial interests in the gaming.

The gaming industry is highly competitive. Prior to the 1980s, Nevada was the only state with legalized casino gaming, although some forms of gaming, such as pari-mutual horse, dog and jai alai betting existed in other states. A significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. Today, 13 states have (some in combination) land-based or river boat gaming, 12 have racetrack casinos, 29 have tribal casinos, five have card rooms and six have electronic gaming devices. All told, some 37 states have some form of gambling operating within their borders. In addition, more than two hundred Native American tribes conduct some form of gaming on tribal lands throughout the United States. Tribal gaming in the State of California accounts for the highest Native American gaming revenue of any state within the United States. Gaming continues to expand into foreign countries as well. Nevada no longer enjoys a near-monopoly on the United States gaming market as it did historically. Competition from casino gaming, state-run lotteries and other forms of gaming will likely continue to increase in the future. The impact of such expansion and proliferation upon Nevada's gaming economy is uncertain.

Information relating to the occupancy rates of hotels is not available on a state-wide basis. This information is generally only available for Clark County (Las Vegas) and for Washoe County (Reno and Sparks) as provided in the following tables:

Table 26
Visitor Volume and Room Occupancy Rate
Las Vegas Metropolitan Area, Nevada

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate[1]	National Occupancy Rate[2]
2005	38,566,717	133,186	89.2	63.1
2006	38,914,889	132,605	89.7	63.4
2007	39,196,761	132,947	90.4	63.2
2008	37,481,552	140,529	86.0	60.3
2009	36,351,469	148,941	81.5	55.1
Jan 09 – Sept 09	27,513,571	141,190	82.8	--
Jan 10 – Sept 10	28,184,075	148,402	81.1	--

(1) The sample size for this survey represents approximately 75% of the total hotel/motel rooms available.
(2) Source: 2004 through 2010 – Smith Travel Research, Lodging Outlook.

Source: Las Vegas Convention and Visitors Authority.

Table 27
Visitor Volume and Room Occupancy Rate
Washoe County, Nevada

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate[1]	National Occupancy Rate[2]
2005	5,265,553	25,958	72.8	63.1
2006	5,121,119	24,865	71.9	63.4
2007	5,097,591	24,677	70.3	63.2
2008	4,583,298	25,114	62.9	60.4
2009	4,354,423	25,543	60.0	55.1
Jan 09 – Sept 09	3,342,469	25,062	61.2	--
Jan 10 – Sept 10	3,446,227	24,857	62.9	--

(1) The rooms and units in all types of accommodation (with three or more rooms/units) licensed with the Reno-Sparks Convention and Visitors Authority to rent rooms/units on a short-term basis.
(2) Source: 2004 through 2010 - Smith Travel Research, Lodging Outlook.

Source: Reno-Sparks Convention and Visitors Authority.

Table 28
Convention and Visitor Authority Room Tax Revenue

	Las Vegas Convention and Visitors Authority		Reno-Sparks Convention and Visitors Authority	
Fiscal Year	**Revenue**[1]	**% Change**	**Revenue**[1]	**% Change**
2004	$153,119,152	17.11	$18,157,051	7.04
2005	176,339,259	15.16	18,262,011	0.58
2006	200,086,827	13.47	19,404,215	6.25
2007	213,256,076	6.58	20,433,999	5.31
2008	220,733,128	3.51	19,848,794	-2.86
2009	176,726,992	-19.94	16,346,211	-17.65
2010	154,046,265	-12.83	16,013,408	-2.04
July 09 – Aug 09	23,575,149	--	3,195,041	--
July 10 – Aug 10	27,066,891	14.8	3,351,719	4.90

(1) This Room Tax Revenue in Table 28 is retained locally and not part of the State's room tax revenue.

Source: Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority.

Transportation

Reno and Las Vegas, the State's two major population centers, are 400 miles apart. Both cities have airports designated as international ports of entry. The Reno/Tahoe International Airport had an estimated 3.76 million commercial and charter passengers enplaned and deplaned in 2009, a decline from approximately 4.43 million in 2008. McCarran International Airport in Las Vegas had an estimated total of 40.47 million commercial and charter passengers enplaned and deplaned in 2009, a decline from 44.07 million in 2008. The airports are served by scheduled airlines and supplemental charter carriers. Federal legislation has been approved to allow the sale of federal land near Las Vegas to Clark County to be used as a second major airport serving Las Vegas.

Two major railroads cross Nevada, while short lines serve as feeders. There are nine federal highways in Nevada, two of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects with the San Francisco Bay area and the Reno-Sparks area. Several national bus lines and trucking lines serve the State.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Fallon and Ely, Nevada, respectively. South of Las Vegas, U.S. 95 extends to the Mexican border, generally following the Colorado River, and U.S. 93 crosses into Arizona.

Economic Development

The State's Department of Business and Industry promotes the expansion of Nevada's business economy and administers the State's industrial development bond program designed to assist businesses to expand or relocate.

The State's Commission on Economic Development has two offices in the State, located in Carson City and Las Vegas. Both offices are primarily concerned with industrial development in the area, expansion of existing companies, and promoting motion picture production activity within the State. The Commission is the umbrella organization for twelve regional development authorities which operate as nonprofit corporations or under interlocal agreements between county, city and private sector organizations. The regional development authorities provide information to companies considering relocation to Nevada as well as to firms already doing business in Nevada. These companies are in manufacturing, warehousing/distribution, computer software, communications, electronics, data processing and sales. In addition, the development authorities have worked with local governments and others to improve the infrastructure in these communities to increase their ability to attract new businesses.

The Commission also sponsors the Nevada Film Office, which provides extensive assistance to the local and national television and film production community.

The Commission's Procurement Outreach Program provides assistance to Nevada firms that wish to compete for federal contracts. The Community Development Block Grant Program assists rural communities with grants for qualified local projects; providing financing for businesses through a revolving loan fund; and providing technical assistance to cities and counties for planning and improvement of economic conditions.

Other incentives for Nevada business include competitive wage rates, an expanding labor force, low-cost and readily available electrical power, low out-bound freight transportation costs to other prominent southwestern markets and a graduated schedule for payment of sales and use tax on new capital equipment. Nevada also has a sales and use tax abatement on capital equipment for qualified relocating or expanding companies.

Warehousing

Reno and Las Vegas are the two major trade centers of the State. Reno is the principal distribution center for northwestern Nevada and northeastern California. Las Vegas serves southern Nevada and nearby areas of California, Utah, and Arizona. Warehousing is a growing industry in the State because of Nevada's strategic location and its freeport tax exemption for goods in transit. Nevada's Freeport Law provides tax-free warehousing on goods stored, assembled, disassembled, bound, joined, processed, divided, cut, broken in bulk, relabeled, or repacked while in transit through the State. The area also has an established foreign Trade Zone.

The Reno/Sparks area is a major western U.S. distribution hub with over 200 national/international firms. Major manufacturing and distributing facilities in the Reno/Sparks area include: International Game Technology, Wal-Mart, GE Bently Nevada, American AVK, R.R. Donnelley & Sons, Leviton Manufacturing Co. Inc., Sherwin-Williams Co., J.C. Penney, Kmart, Merck & Co., Patagonia, Barnes & Noble and Amazon.com. Besides manufacturing and distribution facilities, Washoe County has a Class A and B office market approaching seven million square feet.

Federal Activities

Operations and facilities of the Federal Government in the State have been significant, beginning with Hoover Dam in the 1930s, an Army Air Force gunnery school (which later became Nellis Air Force Base) during World War II, and the subsequent creation of the Nevada Test Site. Currently, the following major federal activities are located in the State.

Hoover Dam — Hoover Dam, operated by the Bureau of Reclamation, is a multiple-purpose development. The dam controls floods and stores water for irrigation, municipal and industrial uses, hydroelectric power generation, and recreation. Hoover Dam is one of the world's largest hydroelectric installations with a capacity of more than 2,000 megawatts. Hoover Dam also is a major tourist attraction in Clark County.

Nellis Air Force Base — Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of Las Vegas. The base itself covers more than 11,000 acres of land, while the total land area occupied by Nellis Air Force Base and its ranges is over three million acres. The base hosts numerous military programs as well as civilian workers. It is the home base of the "Thunderbirds," the world famous air demonstration squadron.

Nevada Test Site — The Nevada Test Site ("NTS") was established in 1950 as the nation's proving ground for nuclear weapons testing. In recent years, under the direction of the Nevada Operations Office of the U.S. Department of Energy ("DOE"), NTS use has diversified into many other areas such as hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects that can best be conducted in this remote desert area. The NTS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles northeast of Las Vegas, the NTS is a massive outdoor laboratory and national experimental center. NTS comprises 1,350 square miles, surrounded by thousands of additional acres of land withdrawn from the public domain for use as a protected wildlife range and for a military gunnery range, creating an unpopulated area of approximately 5,470 square miles. Federal employees and independent contractors are employed at NTS.

Yucca Mountain — The federal government formerly planned to use Yucca Mountain (located approximately 90 miles northwest of Las Vegas in Nye County) as a national nuclear repository for high-level waste and spent fuel from nuclear power plants around the country. On June 3, 2008, the DOE announced that it submitted a license application to the U.S. Nuclear Regulatory Commission ("NRC") seeking authorization to construct a nuclear waste and spent fuel repository at Yucca Mountain. Following a change in the federal administration in 2009, DOE's FY 2010 budget request announced the administration's intended termination of the Yucca Mountain repository project, and includes funding needed to explore alternatives for nuclear waste disposal. DOE has stated that all funding for the development of the Yucca Mountain facility and related infrastructure has been eliminated. However, the license application has not been withdrawn. The State has filed numerous challenges to the DOE's license application. Officials from Washington and South Carolina, two states storing millions of gallons of nuclear waste, have filed formal motions with the NRC urging the agency to reinstatement its review of the license application.

Mining

Nevada is called the "Silver State" because of the vast quantities of silver mined from the Comstock Lode in the 19th Century. Today, Nevada's mining industry production consists of metals, industrial minerals, oil and gas, and geothermal energy. Gold is the primary source of mining revenue, and Nevada leads the nation in gold production.

Oil and natural gas exploration activity continues in Nevada. During 2009, the total net oil produced was 430,000 barrels. There are no commercial sales of natural gas in Nevada; however, small quantities are produced and used to fuel oil production facilities on lease sites.

Gross geothermal energy production totaled 1.6 million megawatt-hours in 2009 from 19 electrical generating plants.

According to the Department of Employment, Training and Rehabilitation, in 2008, there were an average of 11,516 people employed in the mining industry at an average annual salary of $77,049.

According to the Division of Minerals, gold and silver currently account for 84% of total value of production in the Nevada mining industry. The following table compares the calculated value of mineral production for the periods indicated:

Table 29
Mineral Production[(1)]

Calendar Year Ending	Millions of Dollars	Percent Change
2005	3,700	12.1
2006	4,900	32.4
2007	5,400	10.2
2008	6,100	13.0
2009	5,927	-2.8

(1) Estimates. Does not include oil, gas and geothermal energy.

Source: State of Nevada, Commission on Mineral Resources-Division of Minerals.

The following table presents the amount of selected mineral commodities produced in the State during the periods indicated:

Table 30
Mineral Production
(By Weight)
(In Thousands)

	2005	2006	2007	2008	2009
Gold	6,852 ozs.	6,310 ozs.	6,037 ozs.	5,689 ozs.	5,033 ozs.
Silver	9,946 ozs.	8,482 ozs.	8,410 ozs.	7,965 ozs.	7,310 ozs.
Gypsum	2,182 tons	1,930 tons	1,596 tons	1,401 tons	1,198 tons
Barite [(1)]	511 tons	572 tons	574 tons	595 tons	476 tons

(1) Shipped.

Source: State of Nevada, Commission on Mineral Resources-Division of Minerals.

Electric Utilities

NV Energy, Inc. ("NV Energy"), formerly Sierra Pacific Resources, is a publicly traded investor-owned holding company. Through its subsidiaries, which include Sierra Pacific Power Company and Nevada Power Company (each doing business as NV Energy), NV Energy supplies electric service to Las Vegas and surrounding Clark County, and to northern Nevada. NV Energy through its subsidiaries provides electric and natural gas services to a range of over one million residential, commercial, industrial and public sector customers.

Water

Nevada is one of the eight mountain states, bordered by California, Oregon, Idaho, Utah, and Arizona. The State lies in the Great Basin, an arid region east of the Sierra Nevada Mountains, where annual rainfall averages less than ten inches. The availability of water is important to continued growth and development in the State. The two most populous counties in the State are Clark County and Washoe County. Water availability for those two counties is discussed below.

Clark County

General. The major water purveyors in Clark County are the Big Bend Water District; the cities of Boulder City, Henderson, and North Las Vegas; the Las Vegas Valley Water District ("LVVWD"); and Nellis Air Force Base. The LVVWD provides water service to the City of Las Vegas, the unincorporated urban areas of Clark County, Jean, Kyle Canyon, Blue Diamond, and Searchlight. The Big Bend Water District, operated by the LVVWD, serves the Town of Laughlin, and the Coyote Springs Water Resources District, operated by the LVVWD, serves the community within the Coyote Spring valley. In addition, the Virgin Valley Water District serves the City of Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa and Glendale.

In 1991, a regional water entity was created for Southern Nevada. This new entity, the Southern Nevada Water Authority ("SNWA"), was established to address water issues on a regional basis rather than an individual purveyor basis. The members of the SNWA include the cities of Boulder City, Henderson, Las Vegas and North Las Vegas, the Big Bend Water District, Clark County Water Reclamation District (formerly Clark County Sanitation District), and the LVVWD. The SNWA works collaboratively with its member agencies to manage regional water facilities; address water resource management and water conservation on a regional basis; manage and develop additional water supplies for Southern Nevada; and expand and enhance regional treatment and delivery capabilities. The LVVWD provides the management and staff for the SNWA.

Conservation. The centerpiece of the SNWA's conservation efforts is the Water Smart Landscapes program, which pays existing residents to replace lawn with drought-tolerant plants. Since 1999, thousands of Southern Nevada residents have replaced more than 146 million square-feet of lawn, saving the community 8.1 billion gallons of water each year. The Water Smart Landscapes program is one of several aggressive conservation initiatives that have enabled Southern Nevada to decrease its water use by nearly 26 billion gallons annually between 2002 and 2009, despite the addition of 400,000 new residents during that span.

In 2009, the SNWA member agencies implemented previously adopted drought restrictions as permanent conservation measures for the community. These regulations and land use codes include restrictions on landscape watering, vehicle washing and ornamental water features; lawn installation limits; golf course water budgets; and water waste violations. In addition, the SNWA in 2009 adopted a new conservation goal of 199 gallons per capita per day (GPCD) by the year 2035. This goal is expected to save the community approximately 276,000 acre-feet of water per year by 2035, which is nearly equivalent to the state's total annual Colorado River allocation. Available data indicate that in 2008 the SNWA achieved its previous conservation goal of 250 GPCD by 2010 – two years ahead of schedule.

SNWA Water Resource Plan. In addition to aggressive water conservation measures, the SNWA developed and maintains a comprehensive Water Resource Plan to manage current and future resources available to the Las Vegas Valley. The plan, which was first adopted in 1996, is reviewed annually and updated as needed. The Water Resource Plan provides a demand projection for Southern Nevada and outlines a portfolio of water resource options to meet projected water demands over a 50-year planning horizon. This portfolio approach enables the SNWA to quickly respond to changing conditions. The portfolio of resources as described in the SNWA Water Resource Plan includes Nevada's 300,000 acre-foot per year ("AFY") Colorado River apportionment and associated return-flow credits; Las Vegas Valley and in-state groundwater; flood control, domestic and intentionally created surplus water (intentionally created surplus water is divided into four categories: tributary, imported, system efficiency and extraordinary conservation); water resources banked in the Las Vegas Valley and the states of Arizona and California; wastewater reuse; and other current and future supplies.

While the Colorado River Basin continues to experience drought conditions, the SNWA has acquired and is developing new water resources that will be managed in tandem with Colorado River supplies. These resources, paired with expected conservation gains, are designated to enable the SNWA to meet current and projected water demands over the long-term planning horizon. In 2009, the SNWA updated its drought plan, which is integrated into the 2009 Water Resource Plan, to outline the SNWA's approach to meeting demands during declared shortages in light of new rules and agreements. Response measures include the use of Intentionally Created Surplus, banked resources, shortage-sharing agreements and heightened conservation measures, and accelerated development of in-state groundwater resources. The SNWA also continues to work with the other Colorado River Basin states to identify and explore options for long-term augmentation of Colorado River resources.

Record of Decision and Interim Guidelines. In 2007, the Secretary of the Interior issued a Record of Decision regarding development of Lower Basin shortage guidelines and coordinated management strategies for Lake Powell and Lake Mead under low reservoir conditions (Interim Guidelines). The Interim Guidelines and associated agreements among the seven states of the Colorado River Basin (Basin States), define new coordinated operations for lakes Powell and Mead; establish new rules for how states will share shortages on the Colorado River; modify and extend previously approved interim surplus guidelines; and create a new category of water called Intentionally Created Surplus.

Provisions for the coordinated operation of lakes Mead and Powell establish parameters for water releases from Lake Powell to Lake Mead under reservoir conditions through the year 2026. This will improve management of the Colorado River by considering tradeoffs between the frequency and magnitude of reductions of water deliveries; the effects of water storage in lakes Powell and Mead; water supply; power production; recreation and environmental needs.

Under the Interim Guidelines, Nevada can consumptively use up to 400,000 acre-feet of Colorado River water annually from 2016 through the year 2026 when Lake Mead is above 1,145 feet and operating under surplus conditions. This supply, combined with a new category of water called Intentionally Created Surplus ("ICS"), significantly extend available resources.

Provisions for ICS allow the SNWA to develop a portion of its water resources portfolio by conveying water to the Colorado River in exchange for ICS credits. The SNWA can then divert its Colorado River ICS credits from Lake Mead through existing facilities. The SNWA currently has three ICS projects, which include the Coyote Spring Valley Groundwater ICS Project; the Virgin and Muddy Rivers Tributary Conservation ICS Project; and the Brock (formerly known as Drop 2) Reservoir System Efficiency ICS Project. The SNWA can develop up to 15,000 AFY in ICS credits from its Coyote Spring Valley Groundwater ICS Project, approximately 30,000 AFY from its Virgin and Muddy Rivers Tributary Conservation ICS Project and at least 400,000 acre-feet from its Drop 2 Reservoir System Efficiency ICS Project. The Brock Reservoir is located near the California-Mexico border. The reservoir captures unused United States Colorado River water that was ordered but not diverted and would otherwise inadvertently flow across the border into Mexico. The SNWA can begin taking ICS credits based on the construction of Brock Reservoir as early as 2011, on a schedule not to exceed 40,000 AFY.

Tributary Conservation and Imported ICS credits can be created and used under any operating condition, including shortage. In addition, if the ICS credits are not used in the year they are created, they can be stored in Lake Mead. Tributary Conservation and Imported ICS are subject to a 5% reduction for the benefit of Colorado River system storage when they are created, and ICS stored in Lake Mead is subject to a 3% annual reduction for evaporation, except during a declared shortage. The SNWA can bank up to 300,000 acre-feet of credits in Lake Mead for future use. In 2008 and 2009, SNWA created approximately 10,000 acre-feet and 26,000 acre-feet, respectively, of Tributary Conservation ICS credits with pre-1929 water rights acquired by SNWA on the Virgin and Muddy Rivers.

The Interim Guidelines also establish when water supply shortages will be declared and the amount of shortage that will be incurred. As part of an interstate agreement signed in early 2007 between Arizona and Nevada, Nevada will take a smaller share of any declared shortage. As long as Lake Mead levels stay above 1,000 feet, the largest shortage Nevada will incur is 20,000 AFY. By comparison, Arizona’s largest shortage is 480,000 AFY. If water levels are projected to fall below 1,000 feet, the Secretary will reconsult with the Basin States on further management strategies. These Interim Guidelines help to ensure Colorado River supplies to the Lower Colorado River Basin states, as well as protect Lake Mead water levels in the event of prolonged drought conditions in the Upper Colorado River Basin were to occur. In the event of a declared Shortage, the SNWA will utilize additional conservation, banked resources, and other supplies to meet water demands until other permanent resources under development are brought on-line.

Long-Term Augmentation of Colorado River Supplies. The SNWA funded the “Study of Long-Term Augmentation Options for the Water Supply of the Colorado River System” in 2006. The independent study commissioned by the Basin States, examined water resource augmentation options, evaluating their engineering feasibility, environmental viability and potential for water resource yield. This study is an important next step in identifying and assessing potential actions to implement water supply augmentation on the Colorado River or exchanges of Colorado River water. The SNWA is working to develop 75,000 AFY of permanent water supplies through various augmentation options evaluated in the study.

Groundwater Development. The SNWA is engaged in the development of additional in-state groundwater resources in Clark, Lincoln and White Pine counties. The development of these in-state groundwater resources is a significant focus of the SNWA and will continue to be over the next decade. In 2006, the SNWA went to hearing on its applications for unappropriated groundwater in Spring Valley, Nevada, one of the groundwater basins comprising the project area. Prior to the hearing, the SNWA entered into a stipulation with four bureaus of the Department of the Interior (Bureau of Land Management, Bureau of Indian Affairs, Fish and Wildlife Service and National Parks Service), whereby the agencies agreed to withdraw their protests on the SNWA applications. The Nevada State Engineer issued a ruling in 2007, granting the SNWA 60,000 AFY subject to staged development guidelines and findings of the initial staged development period. After holding hearings in early 2008, the Nevada State Engineer issued a ruling granting the SNWA 18,775 AFY of groundwater from Delamar, Dry Lake and Cave valleys, three of the other groundwater basins comprising the project area.

Based on procedural matters relating to SNWA’s granted water rights, the Nevada Supreme Court issued an opinion on June 17, 2010 that found that the Nevada State Engineer did not act on SNWA’s above-noted applications within the appropriately mandated timeframe. As a result, the Nevada State Engineer will re-notice and re-hear SNWA’s water right applications in Spring, Delamar, Dry Lake and Cave valleys. The hearings and decision making on the newly re-noticed applications (totaling 133,976 AFY of unappropriated groundwater) will be completed within one year from the deadline for filing protests. Re-publishing of the applications is anticipated for February 2011 and re-hearing is tentatively scheduled to begin in September 2011.

The SNWA's remaining applications in Snake Valley, Nevada (50,679 AFY of unappropriated groundwater) are pending consideration by the Nevada State Engineer. The Lincoln County Conservation, Recreation, and Development Act of 2004 requires that the states of Nevada and Utah reach an agreement regarding the division of water resources in Snake Valley before water can be diverted from the basin. The two states continue to work together to reach an agreement that will allow the maximum sustainable beneficial use of the water resources and protect existing water rights.

Planning and environmental compliance activities for the SNWA's Clark, Lincoln and White Pine Counties Groundwater Development Project are underway. The SNWA anticipates that up to 184,655 AFY of water could be developed from this project. Resource development will be staged with initial resources planned to come on-line in 2020; however, these resources may be developed or delayed as conditions warrant. Development of in-state groundwater resources will create additional wastewater that can be reused, extending the supply by as much as 70%. The SNWA will reclaim in-state groundwater through direct reuse, or accounting for these imports as consumptive use prior to reaching Lake Mead.

Groundwater Banking. Through local and interstate arrangements, the SNWA has acquired a number of banked resources. These temporary supplies serve as an important management tool that can be used to offset reductions in permanent supplies due to shortages, meet short-term gaps and serve as a temporary bridge to meet demands while other permanent resources are being developed. Through an agreement with the Arizona Water Banking Authority, the SNWA is guaranteed 1.25 million acre-feet of water from Arizona, to be delivered through Lake Mead. This water may be utilized at a maximum annual rate of 40,000 AFY of consumptive use. The SNWA also has a banking agreement with California, where approximately 70,000 acre-feet of water is stored. Additionally, Southern Nevada has stored more than 330,000 acre-feet of water in its local groundwater basin.

Lake Mead Intake No. 3. In light of drought conditions and to ensure a safe and reliable water supply for the region, the SNWA is constructing a new water intake in Lake Mead. Intake No. 3 will help protect Southern Nevada's access to Colorado River resources, as well as access to better water quality as Lake Mead water levels decline in times of drought. Construction of Intake No. 3 is currently underway. The project is scheduled to be completed in 2013.

Washoe County

Water Supply. The primary source of water for Washoe County is the Truckee River, which flows from Lake Tahoe to Pyramid Lake (approximately 120 miles). Underground water and individual private wells augment the river water supply, particularly in the unincorporated areas of Washoe County.

Regional planning of water resources in certain portions of Washoe County is the responsibility of the Northern Nevada Water Planning Commission (the "Planning Commission") and the Western Regional Water Commission (the "Regional Commission"). The Regional Commission is governed by a Board of Trustees comprising representatives of the City of Reno, the City of Sparks, the Board of County Commissioners of Washoe County, the Truckee Meadows Water Authority, the Truckee Meadows Water Reclamation Facility, the South Truckee Meadows General Improvement District, and the Sun Valley General Improvement District. The Planning Commission is governed by members comprising the Director of Public Works for the City of Reno, the Director of Public Works for the City of Sparks, the Director of Water Resources for Washoe County, a member of the South Truckee Meadows General Improvement District, the General Manager of the Sun Valley General Improvement District, the General Manager of the Truckee Meadows Water Authority, the General Manager of the Truckee Meadows Water Reclamation Facility, or their respective designees, and various other members.

The Planning Commission is required to develop a comprehensive plan (the "Comprehensive Plan") for the relevant planning area, covering such matters as supply of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm waters and control of floods. The initial Comprehensive Plan is required to be developed by January 1, 2011. The Comprehensive Plan must address such matters as the problems and needs of the planning area, the providers of service, alternatives to reduce demand or increase water supply, identify and provide for existing and future sources of water needed to meet present and future needs, define priorities and general location for additional major facilities needed to provide services, describe programs to mitigate drought, achieve conservation of water and otherwise manage water, and other matters related to water supply, planning and conservation. The Comprehensive Plan is required to be submitted to the Regional Commission for review, approval or, if applicable, proposed modification. Any facility of "regional significance" associated with water supply, wastewater treatment and stormwater drainage must be recognized in the Comprehensive Plan or presented for review by the Planning Commission and possible amendment to the Comprehensive Plan by approval of the Regional Commission.

In 1995 the State Legislature established a Regional Water Planning Commission for South Washoe County (excluding Lake Tahoe). The commission developed a Regional Water Management Plan that was approved by Reno, Sparks, and Washoe County and accepted by the State Legislature. In 2007 the State Legislature dissolved the Regional Water Planning Commission when it created the Regional Commission and the Planning Commission, however the Regional Water Management Plan has been retained until the Comprehensive Plan is approved.

The Truckee Meadows Water Authority ("TMWA"), a joint powers authority composed of the City of Reno, the City of Sparks and Washoe County, provides water service to the cities of Reno and Sparks, the major population centers in Washoe County, and nearby areas. The remainder of Washoe County is served either by special districts, the Washoe County Department of Water Resources, private companies and/or private wells. TMWA and the Department of Water Resources are currently evaluating the feasibility of consolidation.

Water Resources Plan. TMWA has developed a Water Resources Plan and Water Facilities Plan to address the water needs of its service area through 2030.

PART II

ATTACHMENT I

SUMMARY OF STATE OF NEVADA PENSION SYSTEMS

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to full-time State employees and to full-time employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators, and the Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to judges of courts that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems. Under Article 9 Section 2 of the Nevada Constitution, PERS is created as a trust fund and is prohibited from lending money to the State and from purchasing obligations of the State. Article 9 Section 2 also requires PERS to be governed by the Retirement Board and the Retirement Board to hire an independent actuary and an executive officer.

The independent actuary appointed by the Retirement Board provides annual valuation reports setting forth the contribution rates required to fund the retirement systems on an actuarial reserve basis. The Retirement Board is required to adopt tables and formulas recommended by the actuary in a valuation report prepared for each even-numbered year and for LRS and JRS to adopt the contribution rates recommended by the actuary biennially. For PERS, contribution rates are also determined based upon actuarially-determined rates but as described below are adjusted only if the increases or decreases recommended by the actuary exceed the percentages set forth in Nevada statutes. Depending upon the assumptions used in calculating rates, actuarial and statutory contribution rates may differ from rates calculated for purposes of financial disclosure set by the Governmental Accounting Standards Board ("GASB"). Currently, the independent actuary for each of the three systems is The Segal Company, San Francisco California.

All three retirement systems are defined-benefit plans in which member benefits are specified in advance and are payable from assets, including investment income, set aside in the retirement fund. Unlike a defined contribution plan, where the employer's liability is limited to making its specified contribution and the employee takes the risk that the contributions and investment income thereon will generate sufficient retirement income, in a defined benefit plan the employers take the risk that contributions and investment income will be sufficient to pay the promised benefits in the future. In the case of PERS, for example, approximately 80% of the benefits the average member receives in retirement is funded from investment earnings and 20% from contributions made by employees and employers. Employers are not liable directly for the obligations of the retirement systems, but the employers' and employees' contribution rates may be increased if assets are not sufficient to pay promised benefits.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. A summary description of PERS, LRS and JRS is set forth in Note 9 to the 2009 Financial Statements included in this Official Statement as Appendix A to this Part II, and the Schedule of Funding Progress for LRS and JRS as of January 1, 2009 is included in the Required Supplementary Information to the 2009 Financial Statements.

PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees Retirement Fund (the "PERS Retirement Fund"). The PERS Retirement Fund is comprised of two subfunds. The Regular subfund was established to provide retirement, disability and survivor benefits for public employees other than police officers and firefighters. The Police/Fire subfund was established to segregate accounting for retirement and survivor benefits related to members who are police officers or firefighters. Assets accounted for in one subfund, however, may be used to pay benefits accounted for in the other subfund.

PERS is governed by Chapter 286 of Nevada Revised Statutes (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. As of June 30, 2010, PERS includes 102,594 active members, of whom 90,219 are Regular employees and 12,375 are Police/Fire employees; 11,807 inactive members; and 43,919 retirees and beneficiaries, of whom 38,400 are Regular retirees, survivors or disability recipients and 5,519 are Police/Fire retirees, survivors or disability recipients. Retirement benefits include cost-of-living increases that can range from 2% per year to 5% per year (4% for employees hired after January 1, 2010), depending upon increases in the Consumer Price Index. Employers that participate in PERS as of June 30, 2010 include the State, 20 State-related boards and agencies and 162 local governments and related districts and agencies. The Board of Regents of the University of Nevada, a component unit of the State, provides a separate retirement program for its professional staff.

Measured by the number of covered employees, the State was the second-largest PERS employer in the FY 2010, representing approximately 16.5% of PERS employees. The State's annual contribution to PERS was $136,270,000 in FY 2007, $146,754,000 in FY 2008 and $153,768,000 in FY 2009 and is expected to be $164,630,000 in FY 2010. See Note 9 to the 2009 Financial Statements and Table 2A below.

As of June 30, 2010, PERS had total net assets (based on market value) of approximately $20.91 billion, compared to $18.77 billion as of June 30, 2009. As of June 30, 2010, the actuarial value of PERS assets was $24.72 billion (approximately 118.4% of market value), PERS was 70.5% funded and PERS' unfunded accrued actuarial liability (the "UAAL") was $10.35 billion.

PERS Contributions. PERS is funded with a combination of investment income and contributions from employees and employers. Upon becoming a member, most State employees and some local government employees choose either an employer-pay plan or an employee/employer-pay plan. Under the employer-pay provisions, which can be revised by the State Legislature for new employees, the employer pays the entire contribution on behalf of the employees. Contributions made by the employer on behalf of the employee are not credited to the member's account and are not refunded upon termination. Although the employer-pay plan does not require an employee payment, the employee does share in the cost either through a direct reduction to salary or by agreeing to give up pay increases equivalent to one-half of the contribution rate. Under employee/employer pay provisions, each employee pays half of the required contribution on an after-tax basis (calculated as a percentage of the employee's covered salary) and the amounts contributed by the employee are credited to the employee's account and may be refunded to the employee upon termination, with the result that employee/employer contribution rates are higher than they would be if there were no guaranteed return. As of June 30, 2010, 18.2% of Regular employees and 12.1% Police/Fire employees are covered under this employee/employer pay program. See "—PERS Contribution Rates."

PERS Actuarial Valuations, Reports and Methods. The Public Employees' Retirement Act requires the Retirement Board to arrange for actuarial valuations every two years and requires contribution rates to be adjusted as of July 1 of every odd-numbered year, based in part upon the valuation report for the preceding even-numbered year. In practice, however, the Board requests that actuarial valuations be prepared annually for PERS and that reports reviewing PERS' actual experience be prepared every four years. Experience reports are used to evaluate how realistic the long-term assumptions have been and may be in the future. The most recent valuation report for PERS, dated November 1, 2010, was prepared as of June 30, 2010 (the "2010 PERS Valuation Report"), and the most recent experience report was prepared for the valuation as of June 30, 2007. The 2010 PERS Valuation Report is to be used in determining contribution rates for the 2011-2013 biennium and as the most recent assessment of PERS' actuarial assets and liabilities and funding status, will be the basis for PERS audited financial statements for FY 2010. As noted in Note 9 in Appendix A of this Part II, the actuarial information included in the 2009 Financial Statements are based upon the PERS valuation as of June 30, 2009.

A primary purpose of the valuation report is to determine the health of PERS and the contribution rates that will be required in the future. Valuations are based upon historical and current information provided by PERS staff and the methods and assumptions recommended by the actuary and adopted by the Retirement Board. The actuary recommended and the Retirement Board adopted the use of the Entry Age Normal Cost method as the funding method of calculating contribution rates. Under this method, the total actuarially determined contribution rates consist of (i) the "normal cost," (ii) an administrative expense allowance and (iii) the amount required to amortize

PERS' UAAL over the period established by the Retirement Board for amortizing the UAAL. Normal cost is the cost of the accumulation of one year's benefit for each member or the present value of current year's future benefits. "Entry age" refers to the member's age at the time the member commenced employment. Administrative expense (currently 0.15% of covered payroll) is the assumed cost of administering PERS.

Actuarial Assets and Liabilities; Investment Return Assumptions and Calculations. The third component of the contribution rate is the amount required to amortize the UAAL, the difference between the actuarial accrued liability (the "AAL") and the actuarial value of assets. The total AAL under the Entry Age Normal Cost Method represents the amount that would have been accumulated as of the valuation date if contributions sufficient to meet the normal costs had been made each year in the past, net of accumulated past benefit payments. The UAAL is the amount obtained by subtracting valuation assets from total actuarial accrued liability. PERS amortizes each year's change in the UAAL over a period of 30 years, adding or subtracting the current year's change to or from the previous years' amortizations, using a level-percentage-of-payroll method of amortizing the UAAL. The economic assumptions and actuarial methods used in these calculations are summarized below in Table 1A.

In calculating the actuarial value of assets, contributions for the past year are added to the actuarial value of assets at the end of the prior year; benefits and expenses are subtracted; an assumed return of 8% is added; and then a portion of market value gains and losses are added or subtracted. Actual market returns are taken into account, but to reduce rate volatility, actual market gains and losses are spread or "smoothed" over a five-year period. Until 2009, such smoothing was further limited by a "corridor" so that the actuarial value for one year would not be more than 120% or less than 80% of the value in the previous year. In 2009, this corridor was changed to provide that the actuarial value will not be less than 70% or more than 130% of the previous year's actuarial value. The actuary noted in the 2009 PERS Valuation Report that the effect of this corridor change in 2009 would have been to reduce the contribution rate by approximately 1% of payroll in 2009.

The assumed investment rate of return on the actuarial value of PERS assets, 8% per year, is based in part upon an assumed, long-term inflation rate of 3.5% per year. Actual returns on the actuarial value of assets vary year by year, however, and also vary when compared to the return on the market value of PERS assets. The return on the actuarial value of PERS assets (on a "smoothed" basis) for FY 2010 was 2.84% and for FY 2009 was 2.68%, compared to the investment return assumption for each year of 8%. As a result, PERS experienced an investment loss on an actuarial value basis of approximately $987 million for Regular employees and $246 million for Police/Fire employees in FY 2010 and $988 million for Regular employees and $246 million for Police/Fire employees in FY 2009. The return on the market value of PERS assets, however, was 11.03% in FY 2010 and -15.99% for FY 2009, resulting in an investment loss not yet recognized as of June 30, 2010 of $3.8 billion ($3.06 billion for Regular employees and $758 million for Police/Fire employees) or 18% of PERS' market value of assets. By comparison, the unrecognized investment loss as of June 30, 2009 was $5.2 billion or 28% of the market value of assets. The actuary noted in its 2010 PERS Valuation Report that the ratio of the actuarial value of PERS assets to the market value of PERS assets is 118% for Regular members and for Police/fire members (compared to 128% for Regular members and 127% for Police/fire members at June 30, 2009) and that unless offset by future investment gains or other favorable experience, the recognition of this $3.8 billion of market losses will have a significant impact on PERS future funded ratio and actuarial contribution requirements. The actuary also calculated that if 2010 deferred losses were recognized immediately instead of being smoothed over five years, PERS' funded percentage described below would decrease from 71.2% to 60.1% for Regular members and from 67.8% to 57.6% for Police/fire members and that contribution rates would increase.

PERS Contribution Rates. The following tables summarize the covered payroll, statutory contribution rates and actuarially determined contribution rates for PERS for 2009-2011 and for 2011-2013, and some of the primary economic assumptions and actuarial methods upon which these calculations are based. Legislation was enacted in 2009 modifying benefits for members first hired on or after January 1, 2010. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase, despite the statutory changes to benefits for members hired after January 1, 2010.

Table 1A
PERS 2010 Economic Assumptions and Actuarial Methods

Inflation	3.5% per year
Investment Return	8.0% per year, assuming inflation at 3.5% per year
Salary Increases	Assumed annual salary increases include inflation at 3.5% per year and range from 9.75% for Regular employees with one year of service to 4.5% for Regular employees with 13 years of more of service and from 14.75% for Police/Fire employees with one year of service to 6.5% for employees with 10 or more years of service. For members hired after January 1, 2010, the maximum increase in compensation that can be taken into account in calculating benefits is 10% per year.
Rate Payroll	Based upon actual contributions for the prior year with an increase of 3% for Regular employees and 5% for Police/Fire employees.
Payroll Growth	6.5% per year for Regular employees and 8% for Police/Fire employees (assuming inflation at 3.5% per year) for fiscal years ending after June 30, 2011. For GASB disclosure, this rate is 5% for Regular employees and for Police/Fire employees.
Post-retirement Benefit Increases	2% compounded after the third anniversary of benefit commencement; 3% compounded following the sixth anniversary, 3.5% compounded following the ninth anniversary, 4% compounded following the 12th anniversary, 5% compounded following the 14th anniversary and 3.5% compounded following the 24th anniversary. For members hired after January 1, 2010, benefit increases will be capped at 4% after the 12th anniversary of retirement.
Asset Valuation Method	The total of the prior year's actuarial value of assets, plus contributions, less benefit payments and expenses, an adjustment for net transfers, plus expected investment return and 20% of each of the previous five years' gain or loss due to investment return greater or less than expected, further limited to not less than 70% (80% before 2009) or greater than 130% (120% before 2009) of the market value of assets.
Actuarial Funding Method	Entry Age Normal Cost Method assuming the current benefit accrual rate had always been in effect.
Amortization of the UAAL	The UAAL is amortized over a year-by-year closed amortization period, where each amortization period for each year is set at 30 years. For GASB disclosure purposes, however, the UAAL is amortized over an open (non-declining) amortization period of 30 years.

Source: State of Nevada, compiled from the 2010 PERS Valuation Report.

Table 2A
PERS Contribution Rates 2009-2013

Contribution Rates (as a percentage of payroll)	**Regular Employees**	**Police/Fire Employees**
Employer-Pay Actuarial Rate [(1)]		
Normal Cost	16.09%	29.72%
Amortization Percentage	7.39	9.90
Administrative Expenses	0.15	0.15
Employer-Pay Total Rate [(2)]	23.63	39.77
Employer-Pay 2009-11 Statutory Rate [(3)]	21.50	37.00
Employer –Pay 2011-13 Statutory Rate [(4)]	23.75	39.75
Employee/Employer Pay Actuarial Rate [(1)(5)]		
Normal Cost	16.98	30.48
Amortization Percentage	7.39	9.901
Administrative Expenses	0.15	0.15
Employee/Employer Total Rate[(2)]	24.52	40.53
Employee/Employer 2009-11 Statutory Rate[(3)]	22.50	38.00
Employee/Employer 2011-13 Statutory Rate[(4)]	24.50	40.50

(1) These actuarial rates are based upon the PERS 2010 Valuation Report as of June 30, 2010.
(2) The actuarial employer-pay contribution rate would have been 26.14% for regular employees and 42.38% for police/fire employees if the deferred investment losses had not been smoothed over five years.
(3) These statutory rates apply for July 1, 2009 through June 30, 2011.
(4) These statutory rates apply for July 1, 2011 through June 30, 2013. Statutory rates are rounded to the nearest 0.25% and are adjusted only if the increase or decrease exceeds the percentage set forth in the Public Employees' Retirement Act.
(5) One half of this rate is paid by the employee. The actuarial employee/employer pay contribution rate would have been 27.03% for regular employees and 43.149% for police/fire employees if the deferred investment losses had not been smoothed over five years.

Source: State of Nevada, compiled from the 2010 PERS Valuation Report.

Information about the actuarial value of assets, AAL, UAAL, funded ratio, annual covered payroll, UAAL as a percentage of annual covered payroll, contributions and funding for PERS as a whole, derived from PERS' comprehensive annual financial report for FY 2009 (the "PERS 2009 Financial Report") and from the 2010 PERS Valuation Report, is summarized in Tables 3A and 4A. The ratio of UAAL to covered payroll is a measure of the significance of the UAAL relative to the capacity to pay it. The trend in the ratio provides information as to whether the financial strength of the pension plan is improving or deteriorating over time. The financial strength of a pension plan is generally improving if the ratio of UAAL to covered payroll is decreasing. The actuary notes in the 2010 PERS Valuation Report that using the methods, assumptions and results of the June 30, 2010 valuation, payments required to amortize the UAAL represent 7.39% of projected payroll for Regular employees and 9.90% of projected payroll for Police/fire employees and that the average length of payment of the entire UAAL will be approximately 25.7 years for Regular employees and 25.1 years for Police/fire employees.

PERS notes in its 2009 Financial Report that in addition to changes in benefits and actuarial methods and assumptions, trends such as those shown in the tables below are affected by investment experience (favorable and unfavorable), salary experience, changes in demographic characteristics and employees and retirement experience, among other factors. PERS and the actuary note that the number of active regular employees declined in 2009 as compared to 2008, which is unusual, and that between 2000 and 2009, the ratio of active PERS Regular members to retirees decreased from 4.2 to 2.8 and that the ratio of active PERS Police/Fire members to retirees decreased from 3.6 to 2.8 during the same period. In FY 2010, the number of benefit recipients increased 4.8% from FY 2009, and the number of active members decreased.

The PERS actuary does not calculate actuarial assets and liabilities by employer, but the State expects the State's contribution rates to increase in the future. Measured by the number of covered employees, the State was the second-largest PERS employer in FY representing approximately 16.5% of PERS employees.

Table 3A
PERS Schedule of Funding Progress
2005 to 2010
(in millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2005	$17,886.5	$23,608.7	$5,772.2	75.8%	$4,064.0	140.8%
2006	19,282.0	25,739.1	6,457.1	74.9	4,366.1	147.9
2007	21,359.0	27,671.6	6,312.6	77.2	4,769.6	132.4
2008	23,237.7	30,495.9	7,258.2	76.2	5,194.4	139.7
2009	23,971.9	33,075.2	9,103.3	72.5	5,373.1	169.4
2010	24,725.5	35,077.7	10,352.3	70.5	Not Available	Not Available

Source: State of Nevada, complied from the 2009 PERS Financial Report and 2010 PERS Valuation Report.

Table 4A is derived from the Schedule of Employer Contributions included in the 2009 PERS Financial Report. The annual required contributions shown in the Table are calculated in accordance with GASB reporting requirements and are higher than the rates determined for funding purposes. For GASB reporting purposes, UAAL payments to amortize the UAAL are assumed to increase in direct proportion to assumed payroll growth rates of 5% per year for Regular members and for Police/fire members (compared to growth rates of 6.5% for Regular members and 8% for Police/fire members assumed for funding purposes), in each case based upon a 3.5% inflation assumption, and the UAAL is amortized over an open (non-declining) amortization period of 30 years for GASB reporting (compared to a year-by-year closed amortization period, where the amortization period for each year is set at 30 years for funding purpose). See Table 3A above.

Table 4A
PERS Schedule of Employer Contributions
2005 to 2009

	Regular		Police/Fire		Total	
Actuarial Valuation Date June 30	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2005	$696,686,600	100%	$231,962,000	88%	$928,648,600	100%
2006	795,295,700	97	258,810,300	91	1,055,106,000	96
2007	861,341,800	97	279,177,100	91	1,140,518,900	96
2008	924,842,900	96	333,828,000	85	1,258,670,900	93
2009	993,985,400	93	346,562,200	85	1,340,547,600	90

Source: 2009 PERS Financial Report.

LRS. All State Legislators are members of LRS, which is a defined benefit, single-employer public employees' retirement system administered by the same Retirement Board that administers PERS. LRS was established by the State Legislature in 1967. The State (in this case, the State Legislature) is the only LRS employer and is required to make all of the statutorily required employer contributions. LRS benefits are established by the Legislators Retirement Law (the "LRS Act"), which provides expressly that the Retirement Board may not change the actuarial assumptions used in computing the benefits provided to a member of LRS and that the employer contributions will be the amounts actuarially determined to be sufficient to fund LRS. Note 9, the Required

Supplementary Information – Schedule of Funding Progress – Pension Plans, and the Fiduciary Funds section to the 2009 Financial Statements in Appendix A to this Part II includes a description of the actuarial methods and significant assumptions used in actuarial valuations of LRS, the funding status, funding progress and schedule of funding progress as of January 1, 2009. The most recent valuation report for LRS (the "2010 LRS Valuation Report") is the Valuation and Review dated November 1, 2010 prepared as of July 1, 2010. Effective with the 2010 LRS Valuation Report, the LRS plan year changed from January 1 to July 1.

As of July 1, 2010, LRS had 46 active legislators, 12 inactive members entitled to future benefits, 66 retirees and beneficiaries and 19 inactive nonvested members LRS had total net assets (at market value) of $3,772,919 as of June 30, 2010 (compared to $3,675,730 as of June 30, 2009), and as of June 30, 2010, the actuarial value of LRS assets was $4,133,988 (compared to $4,185,996 as of June 30, 2009 and $4,229,000 as of January 1, 2009, the date used in the previous valuation report) and reflected in Appendix A to this Part II. LRS actuarial value as of June 30, 2010 was 109.57% of market value. As of July 1, 2010, LRS was 74% funded (71% funded as of January 1, 2009), and the UAAL ($1.47 million as of July 1, 2010 and $1.7 million as of January 1, 2009) and 492% of the LRS covered payroll in 2009. The State's annual contribution to LRS was $185,000 in each of FY 2007 and FY 2008 and $201,000 in FY 2009. The annual contribution calculated as of July 1, 2010 to be required to meet the normal cost of LRS and to amortize LRS' UAAL over 20 years from July 1, 2010 is $182,093.

JRS. JRS was created in 2001 for justices of the Nevada Supreme Court, district judges, justices of the peace and municipal judges elected or appointed after November 2002 and for those who were elected or appointed earlier and chose to withdraw from PERS. JRS is an agent multiple-employer, defined benefit pension system that provides retirement, disability and death benefits. The JRS is an employer-paid plan, and active members are not required to make contributions.

As of July 1, 2010, the date as of the most recent annual valuation report (the "2010 JRS Valuation Report"), the Supreme Court and District Courts (State courts) and 10 municipalities have elected to participate in JRS. As of July 1, 2010, JRS has 92 active members (of whom 69 are State judges), three vested, inactive members (all of whom are attributed to the State), 36 retirees (of whom 35 are State judges) and 10 beneficiaries (all of whom are attributed to the State).

Like PERS and LRS, JRS is administered by the Retirement Board, and JRS assets are invested identically with the assets of the LRS. Unlike PERS, however, the UAAL and UAAL amortization periods for State judges are calculated differently than for non-State judges, and the actuary calculates State and non-State employer contributions separately. In general, the State portion of JRS expected payroll as of July 1, 2010 (approximately $15.3 million) is 83% (approximately $12.7 million).

As of July 1, 2010, JRS as a whole has total net assets at market value of $44,484,498, an actuarial value of $47,280,716, an accrued actuarial liability of $80,447,036 and a UAAL of $33,166,32. The return on market value of assets for FY 2010 was 13.66% and the return on the actuarial value of assets as of June 30, 2010 was 3.57%, as compared to the actuarially assumed return of 8%. Taking into account market gains and losses from earlier years, the JRS Fund as a whole experienced a loss on an actuarial value basis of approximately $2.0 million in FY 2010. Taking into account smoothing over a 5-year period, the total net investment loss not yet recognized as of July 1, 2010 is approximately $2.8 million (approximately 6% of the market value of the JRS assets). The actuary noted in the 2010 JRS Valuation Report that if the deferred losses were recognized immediately in the actuarial value of JRS assets, the JRS funded percentage as a whole at July 1, 2010 would decrease from 58.8% to 55.3% and that the contribution requirement for the State alone would increase from 40.6% of State covered payroll to 41.8% of the State covered payroll.

As of July 1, 2010, the State portion of JRS has total net assets at market value of $35,847,627, an actuarial value of $38,100,945 an accrued actuarial liability of $71,365,779 and a UAAL of $33,264,834. Annual payments required to fund the State's normal costs and administrative expenses (approximately $2.9 million or 22.9% of covered payroll) and to amortize the State portion of the UAAL (approximately $2.2 million or 17.7% of covered payroll) is calculated to be a total of $5.15 million or 40.6% of the State's 2010 expected JRS payroll of approximately $12.68 million. The State's annual payment scheduled to be paid in July 1, 2011 (37.6% of covered payroll) was calculated based upon the results of the previous valuation report (as of January 1, 2009), however, and is less than the annual payment determined in the 2010 JRS Valuation Report to be required. As a result, a contribution deficit of 3% of covered payroll exists as of July 1, 2010.

The State's annual contribution to JRS was $3,509,000 in FY 2007, $3,680,000 in FY 2008 and $3,992,000 in FY 2009, and covered payroll was $11.4 million in FY 2009 and $12.8 million as of July 1, 2010. See Note 9, the Required Supplementary Information – Schedule of Funding Progress – Pension Plans and the Fiduciary Funds section to the 2009 Financial Statements for additional information on JRS, including a description of the actuarial methods and significant assumptions used in the January 1, 2009 actuarial valuation of JRS, the funding status, funding progress and schedule of funding progress as of January 1, 2009.

PART II

ATTACHMENT II

SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

General. The State of Nevada's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits (described below) to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of nine members, including the Director of the Department of Administration (or his designee) and eight members appointed by the Governor and administers PEBP.

Benefits and Eligibility. PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) a self-insured preferred provider organization ("PPO Plan"), for which PEBP assumes all risk and responsibility for paying the claims by participants in the PPO Plan, and (ii) Health Maintenance Organizations ("HMO Plans") that are fully insured by outside insurance carriers and for which PEBP is responsible for paying the insurance premiums. Approximately 70% of PEBP participants participate in the PPO Plan. PEBP also offers accidental death and dismemberment coverage, long-term disability and life insurance benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 Legislature made several changes to retirement and health benefits for public employees and retirees and in 2010 the PEBP Board approved additional reductions in benefits and increases in employee and retiree contributions to satisfy the subsidy target established by the Budget Division for the 2011-2013 biennium. See "—Contributions" below.

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Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agency contracting with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction certain eligibility requirements set forth in the Nevada statutes. As of June 30, 2010, approximately 125 State and local government agencies are billed for retiree subsidies. Primary insured ("Participant") enrollment as of June 30, 2010 is shown in Table 2A below. The figures below do not include approximately 30,000 dependent spouses, domestic partners and children.

	PPO	**HMO**	**Total**
State			
Employees	16,433	9,712	26,145
Retirees - Non Medicare	2,526	694	3,220
Retirees - Medicare	4,362	521	4,883
Total Retirees	6,888	1,215	8,103
Total	23,321	10,927	34,248
Local Government			
Employees	377	34	411
Retirees - Non Medicare	3,550	1,663	5,213
Retirees - Medicare	3,256	815	4,071
Total Retirees	6,806	2,478	9,284
Total	7,183	2,512	9,695
Total			
Employees	16,810	9,746	26,556
Retirees - Non Medicare	6,076	2,357	8,433
Retirees - Medicare	7,618	1,336	8,954
Total Retirees	13,694	3,693	17,387
Total	30,504	13,439	43,943

Contributions. PEBP is funded through a combination of contributions from employers, employees and retirees. Funds are deposited into the Self Insurance Trust Fund. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. The PEBP Board establishes claims liability based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damages awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are computed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO Plan or premiums for the HMO Plans. The State employee is responsible for paying to PEBP the difference between the required contribution or premium for the year and the amount subsidized by the State, as well as the costs of the contribution or premium for any covered dependents through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions or premiums for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees' Health and Welfare Benefits Fund ("Retirees' Fund"), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. The retiree is responsible for paying to PEBP the difference between the required contribution or premium for the year and the amount subsidized by the State, as well as the costs of the contribution or premium for any covered dependents.

For FY 2007, 2008, 2009 and 2010, the State and its component units contributed $184,517,303, $198,233,028, $212,081,106 and $229,628,416, respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2011 is $251,478,268. The level of future required contributions depends on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in benefits. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Significant financial deficits in 1997, 1998 and 2002 required two additional appropriations from the State Legislature in 1999 and 2002 totaling $44 million. The participating employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies. In July 2006, 2007 and 2008, premium holidays were awarded to draw down excess reserves created by changes in plan design in 2004 and 2005. During the budget building process in 2008 and 2010, the Department of Administration, Budget Division provided specific limits to PEBP in the amount of the State subsidy that would be provided in the subsequent biennium. Such limits resulted in reduction to benefits, reductions to employer contributions and increases to participant contributions. For example, to address budget concerns, the PEBP Board made several changes to retirement and health benefits for plan participants. These changes resulted in a decrease of $53 million of the State's aggregate employee and retiree subsidies for the 2009-2011 biennium. For the 2011-2013 biennium, the Department of Administration, Budget Division instructed the PEBP Board to keep the State active and retiree subsidies at the same levels as was approved for FY 2011, capping the combined subsidy levels for the biennium at $500 million. The FY 2011 benefit plans and subsidization policies, taking into account cost estimates provided by PEBP's actuaries, would have required State subsidies in the aggregate amount of $611.2, resulting in a $111.2 million shortfall. To meet the subsidy target established by the Budget Division, in August 2010 the PEBP Board approved reductions in benefits and increases in employee and retiree contributions, effective July 1, 2011. In addition, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed state agencies to reduce their contributions for retiree health insurance by $24.7 million for FY 2011. The difference will be paid through monthly reductions to the Retirees' Fund balance.

Self Insurance Trust Fund. Nevada statutes require that all amounts received for PEBP, except for the amounts transferred to the Retirees' Fund, as described below, including employer subsidies and participant contributions, be deposited with the State Treasurer for credit to the Self Insurance Trust Fund. Amounts are held in the Self Insurance Trust Fund until applied to pay approved claims or premiums for the HMO Plans on a "pay-as-you-go" basis or to pay other administrative and contract costs. There is no excess liability insurance. As of June 30, 2010, the Self Insurance Trust Fund had an actuarially determined fully funded incurred but not reported claims reserve of $34,473,000 and net assets of $54,689,899, which includes a $31,105,000 catastrophic reserve actuarially determined to provide a 95% probability that the PEBP will maintain long-term solvency and approximately $23,585,000 in excess reserves. See the Audited Annual Financial Statements of the Self Insurance Trust Fund at www.pebp.state.nv.us/informed/financial.htm for more information about the Self Insurance Trust Fund as of June 30, 2010.

Retiree's Fund. The State Legislature established the Retiree's Fund in 2007 as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees' Fund is administered by the PEBP Board. Nevada statutes require that all money appropriated by the State Legislature to the Retirees' Fund, all amounts derived from the State assessment, all money accruing to the Retirees' Fund from all other sources and any other money provided to PEBP for the payment of health and welfare benefits for current and future State retirees be deposited in the Retirees' Fund. Such amounts remain are held in the Retirees' Fund until they transferred to the Self Insurance Trust Fund as required for purposes of offsetting a portion of the costs of providing health and welfare benefits for current and future State retirees or to pay other authorized costs. The money in the Retirees' Fund belongs to the officers, employees and retirees of the State in aggregate. Neither the State nor the governing body of any local governmental agency of the State, nor any single officer, employee or retiree of any such entity has any right to the money the in the Retirees' Fund. See the Audited Annual Financial Statements of the State Retirees' Health and Welfare Benefits Fund at www.pebp.state.nv.us/informed/financial.htm for more information about the Retirees' Fund as of June 30, 2010.

For FY 2008, 2009 and 2010, the State and its component units contributed to the Retirees' Fund $59,263,078, $32,846,440 and $33,406,435, respectively. For FY 2007, 2008, 2009 and 2010, $28,320,825, $33,357,651 $29,975,994 and $31,555,808, were transferred to the Self Insurance Trust Fund to fund health and welfare benefits for current State retirees for such fiscal years. For FY 2008 and 2009, the Retirees' Fund invested $19,672,376 and $6,426,399, respectively, in the Retirees' Benefits Investment Fund to prefund such benefits. Due to State-wide revenue shortfalls, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed state agencies to reduce their contributions for retiree health insurance by $24.7 million for the year ending June 30, 2011. The reduced contributions required that PEBP withdraw $24.7 million from the Retirees' Benefits Investment Fund to cover retiree subsidies. As of June 30, 2010, the Retirees' Fund had total assets of $32,618,562, of which $760,739 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $29,257,133 were held by the State's General Portfolio administered by the Nevada State Treasurer. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

GASB 43 and GASB 45. Compliance with GASB 43 and GASB 45 requires that the State report its other post-employment benefit ("OPEB") liability and its annual required contribution, effective July 1, 2007. Like the pension liability, the OPEB liability calculated in accordance with GAAP can differ from the actuarial accrued liability. However, unlike pension liability for which the State is putting money aside, the State pays the OPEB liability on a pay-as-you-go basis and is not prefunding the OPEB liability, other than the amounts set aside in the Retirees' Fund. In October 2010, AON Consulting (the "Actuary") released its *Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final* for the year ending June 30, 2010 (the "2010 Valuation"). The 2010 Valuation considered the medical, prescription drug, dental and life insurance coverage provided by PEBP.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and trends in healthcare costs. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. In preparing the 2010 Valuation, the Actuary made certain assumptions, including current claim cost, projected increases in health insurance costs, mortality, turnover, retirement, disability and discount rate. See the Actuarial Report for Other Post-Employment Benefits at www.pebp.state.nv.us/informed/financial.htm for more information.

The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2010, the present value of the benefits of the Plan is $3,263,363,000 according to the 2010 Valuation. Of this amount, 73% is allocable to currently active employees (future retirees). The 2010 Valuation did not include the $111,200,000 in reductions in benefits and increases in employee and retiree contributions effective as of July 1, 2011 approved by the PEBP Board in August 2010.

Table 2B below sets forth the present value of the State's benefits, actuarial accrued liability, annual required contribution and annual OPEB cost, as determined in accordance with GAAP, for the three fiscal years ended June 30, 2010.

Table 2B
GASB 43 and GASB 45 Statistics

	June 30, 2008	June 30, 2009	June 30, 2010
Present Value of Benefits	$4,001,638,000	$3,598,394,000	$3,263,363,000
Actuarial Accrued Liability (AAL)	$2,211,439,000	$1,815,501,000	$1,874,005,000
Annual Required Contribution (ARC)	$ 287,217,000	$ 239,147,000	$ 222,109,000
Annual OPEB Cost	$ 287,217,000	$ 235,264,000	$ 214,937,000

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2009 (the "2009 Valuation") and the 2010 Valuation. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at www.pebp.state.nv.us/informed/financial.htm.

The actuarial accrued liability (the "AAL") is the State's liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The annual required contribution (the "ARC") is the amount actuarially determined in accordance with GASB 43 and represents the level of funding that, if paid on an on-going basis, is projected to cover "normal costs" for each year and amortize any unfunded accrued actuarial liabilities (the "UAAL") over a period of 30 years. The UAAL is the difference between the AAL and the actuarial value of the Plan assets. The "normal cost" is the value of the benefits expected to be earned during the year, based on certain actuarial methods and assumptions.

The Table 2C below sets forth the schedule of funding progress as of the last three valuation dates. As described above, the recent actions by the State Legislature will result in a decrease in the amount of money invested for pre-funding the State's OPEB liability from over $25 million to approximately $800,000 during FY 2011. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

Table 2C
OPEB Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (Value of Assets/AAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	$0	$2,211,439,000	$2,211,439,000	0.0%	$1,523,268,000	145.2%
7/1/2008	$25,665,000	$1,815,501,000	$1,789,836,000	1.4%	$1,488,847,000	120.2%
7/1/2009	$23,536,000	$1,874,005,000	$1,850,469,000	1.3%	$1,556,892,493	118.9%

Source: State of Nevada, compiled from Audited Annual Financial Statements of the State Retirees' Health and Welfare Benefits Fund for FY 2010.

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PART II

APPENDIX A

STATE OF NEVADA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2009
(EXCLUDING THE STATISTICAL SECTION)

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FINANCIAL SECTION

KAFOURY ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The Honorable Kim Wallin, CMA, CFM, CPA
State Controller

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2009, which collectively comprise the State of Nevada's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Nevada's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit:

Government-Wide Financial Statements

- the financial statements of the Housing Division, which represent 54.5 percent of the assets, 22.1 percent of the net assets and 5.1 percent of the revenues of the business-type activities;

- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units.

Fund Financial Statements

- the financial statements of the Housing Division Enterprise Fund;

- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds, which represent less than one percent of the assets and net assets and fund balances of the aggregate remaining fund information;

- the financial statements of the Pension Trust Funds and Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 73.6 percent of the assets and 74.9 percent of the net assets and fund balances of the aggregate remaining fund information;

- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represents 15.9 percent of the assets and 18.2 percent of the net assets and fund balance of the aggregate remaining fund information;

- the financial statements of the Retirement Benefits Investment Fund, which represent less than one percent of the assets and net assets and fund balances of the aggregate remaining fund information.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Higher Education Tuition Trust Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2010 on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis, the budgetary comparison schedule, the notes to required supplementary information-budgetary reporting, the schedule of funding progress and the schedule of infrastructure condition and maintenance data are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Kafoury, Armstrong & Co.

Reno, Nevada
January 26, 2010

Management's Discussion and Analysis

State of Nevada management provides this discussion and analysis of the State of Nevada's Comprehensive Annual Financial Report (CAFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the additional information furnished in the letter of transmittal.

Highlights

Government-wide:
Net Assets – The assets of the State exceeded its liabilities at the close of the fiscal year ended June 30, 2009 by $4.8 billion (reported as *net assets*). Of the $4.8 billion in net assets, $1.5 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is the $3.5 billion invested in capital assets, net of related debt.

Changes in Net Assets – The State's total net assets decreased by $1 billion in fiscal year 2009. Net assets of governmental activities decreased by $550 million (a 12.2% decrease) and net assets of the business-type activities decreased by $494 million (a 37.7% decrease).

Fund-level:
At the close of the fiscal year, the State's governmental funds reported a combined ending fund balance of $1.6 billion, a decrease of $520.9 million from the prior year. Of this amount, $649.7 million represents the *unreserved fund balance.*

The State's enterprise funds reported combined ending net assets of $817.3 million, a decrease of $493.9 million from the prior year, attributable primarily to a decrease to the Unemployment Compensation fund. Of this amount, $5.3 million represents a deficit in *unrestricted net assets.*

The State's fiduciary funds reported combined ending net assets of $24.4 billion, a decrease of $3.8 billion from the prior year. This decrease is due primarily to the change in the fair value of investments in the Pension Trust Funds.

Long-term Debt (government-wide):
The net increase in the State's long-term debt obligations was $156.4 million (a 3.8% increase) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Comprehensive Annual Financial Report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements:
The *government-wide financial statements* are designed to provide readers with a broad overview of the State of Nevada's finances in a manner similar to the private sector. They take into account all revenues and expenses connected with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The *statement of net assets* presents *all* of the State's assets and liabilities, with the difference between the two reported as "net assets." The statement combines and consolidates all of the State's current financial resources with capital assets and long-term obligations. Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the State's net assets changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or are financed with taxes and other general revenues. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of cash flows. Therefore, some revenue and expenses reported in this statement will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both government-wide statements above report three types of activities:

Governmental Activities – Taxes and intergovernmental revenues primarily support these activities. Most services normally associated with State government fall into this category, including general government, health and social services, education and support services, law, justice and public safety, regulation of business, transportation, recreation and resource development, intergovernmental, interest on long-term debt and unallocated depreciation.

Business-type Activities – These activities are intended to recover all, or a significant portion, of the costs of the activities by charging fees to customers. The Housing Division and Unemployment Compensation are examples of the State's business-type activities.

Discretely Presented Component Units – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. The State has two discretely presented component units – the Nevada System of Higher Education and the Colorado River Commission. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Fund Financial Statements:
A fund is an accounting entity consisting of a set of self-balancing accounts to track funding sources and spending for a particular purpose. The State's funds are broken down into three types:

Governmental funds – Most of the State's basic services are reported in governmental funds. These funds focus on short-term inflows and outflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The governmental fund financial statements focus on major funds and provide additional information that is not provided in the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation is provided between the governmental fund statements and the governmental activities in the government-wide financial statements.

Proprietary funds – When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other State agencies (internal service funds), the services are generally reported in the proprietary funds. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses, and there is a reconciliation between the government-wide financial statement business-type activities and the enterprise fund financial statements. Because internal service fund operations primarily benefit governmental funds, they are included with the governmental activities in the government-wide financial statements.

Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside the state government. For instance, the State acts as a trustee or fiduciary for its employee pension plans, and it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are reported using the accrual basis of accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

Notes to the Financial Statements:
The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

Required Supplementary Information:
The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of funding progress for certain pension trust funds and a schedule of infrastructure condition and maintenance data.

Other Supplementary Information:
Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, all internal service and all fiduciary funds. The non-major funds are added together, by fund type, and presented in single columns in the basic financial statements. Other supplementary information also contains budgetary schedules of total uses for the General Fund and special revenue fund budgets, as well as a schedule of sources for non-major special revenue fund budgets.

Government-wide Financial Analysis

The State's overall financial position and operations for the fiscal years ended June 30, 2009 and 2008 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

State of Nevada's Net Assets-Primary Government
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Total Change
	2009	2008	2009	2008	2009	2008	2009-2008
Assets							
Current and other assets	$ 3,390,666	$ 4,807,537	$ 2,040,393	$ 2,502,646	$ 5,431,059	$ 7,310,183	$ (1,879,124)
Net capital assets	5,198,108	5,058,628	10,360	7,699	5,208,468	5,066,327	142,141
Total assets	8,588,774	9,866,165	2,050,753	2,510,345	10,639,527	12,376,510	(1,736,983)
Liabilities							
Current liabilities	1,458,110	2,393,723	79,965	74,712	1,538,075	2,468,435	(930,360)
Long-term liabilities	3,172,628	2,963,974	1,153,620	1,124,421	4,326,248	4,088,395	237,853
Total liabilities	4,630,738	5,357,697	1,233,585	1,199,133	5,864,323	6,556,830	(692,507)
Net Assets							
Invested in capital assets, net of related debt	3,492,205	3,522,177	3,286	3,393	3,495,491	3,525,570	(30,079)
Restricted	702,743	697,168	819,348	1,297,613	1,522,091	1,994,781	(472,690)
Unrestricted	(236,912)	289,123	(5,466)	10,206	(242,378)	299,329	(541,707)
Total net assets	$ 3,958,036	$ 4,508,468	$ 817,168	$ 1,311,212	$ 4,775,204	$ 5,819,680	$ (1,044,476)

Net Assets:
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The State's combined net assets (governmental and business-type activities) totaled $4.8 billion at the end of 2009, compared with $5.8 billion at the end of the previous year.

The largest portion of the State's net assets ($3.5 billion or 73%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net assets ($1.5 billion or 32%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net assets deficit of $242.3 million (or -5%), as compared to a $299.3 million surplus in the prior year. Although there were lower general revenues in the form of gaming taxes, sales and use taxes, motor taxes, and investment earnings, total government-wide revenues increased over the prior year, due primarily to additional federal funds received through the stimulus, Medicaid and unemployment compensation programs. The unrestricted net assets deficit occurred because the increase in government-wide expenses exceeded the higher revenues that were received. The majority of the higher government-wide expenses were due to the $896 million increase to unemployment insurance benefits paid. Nevada's unemployment rate is significantly higher than the national average, as the State continues to deal with the effects of lower levels of consumer spending and tourism. Nevertheless, at the end of the current fiscal year, the State is able to report positive balances in two of the three categories of net assets, both for the government as a whole, as well as for its governmental activities and the business-type activities.

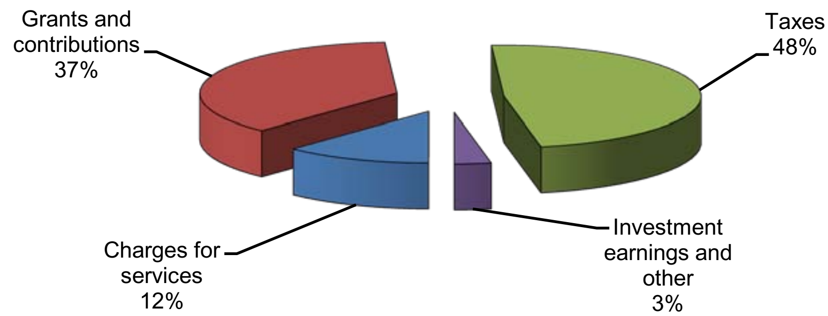
Changes in State of Nevada's Net Assets-Primary Government
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues						
Charges for services	$ 794,893	$ 794,372	$ 105,244	$ 107,227	$ 900,137	$ 901,599
Operating grants and contributions	2,544,032	1,982,315	525,550	88,335	3,069,582	2,070,650
Capital grants and contributions	19,608	21,871	-	-	19,608	21,871
General revenues						
Sales and use taxes	943,787	1,101,741	-	-	943,787	1,101,741
Gaming taxes	883,054	1,011,506	-	-	883,054	1,011,506
Modified business taxes	281,605	297,161	-	-	281,605	297,161
Insurance premium taxes	241,252	256,847	-	-	241,252	256,847
Property and transfer taxes	278,881	280,896	-	-	278,881	280,896
Motor and special fuel taxes	272,614	297,087	-	-	272,614	297,087
Other taxes	374,704	425,250	342,588	374,565	717,292	799,815
Investment earnings	9,026	105,649	-	-	9,026	105,649
Other	181,086	115,508	-	-	181,086	115,508
Total Revenues	6,824,542	6,690,203	973,382	570,127	7,797,924	7,260,330
Expenses						
General government	389,943	439,682	-	-	389,943	439,682
Health and social services	2,667,419	2,454,843	-	-	2,667,419	2,454,843
Education and support services	2,475,416	2,381,731	-	-	2,475,416	2,381,731
Law, justice and public safety	687,410	650,657	-	-	687,410	650,657
Regulation of business	118,086	114,786	-	-	118,086	114,786
Transportation	762,610	576,815	-	-	762,610	576,815
Recreation and resource development	165,741	167,627	-	-	165,741	167,627
Interest on long-term debt	138,304	146,312	-	-	138,304	146,312
Unallocated depreciation	976	992	-	-	976	992
Unemployment insurance	-	-	1,336,043	439,632	1,336,043	439,632
Housing	-	-	44,382	43,953	44,382	43,953
Water loans	-	-	6,218	6,836	6,218	6,836
Workers' compensation and safety	-	-	26,801	26,258	26,801	26,258
Higher education	-	-	13,103	8,109	13,103	8,109
Other	-	-	16,967	20,496	16,967	20,496
Total Expenses	7,405,905	6,933,445	1,443,514	545,284	8,849,419	7,478,729
Excess (deficiency) in net assets before contributions to permanent funds and transfers	(581,363)	(243,242)	(470,132)	24,843	(1,051,495)	(218,399)
Contributions to permanent fund	7,019	8,801	-	-	7,019	8,801
Transfers	23,912	19,592	(23,912)	(19,592)	-	-
Change in net assets	(550,432)	(214,849)	(494,044)	5,251	(1,044,476)	(209,598)
Net assets - beginning of year	4,508,468	4,723,317	1,311,212	1,305,961	5,819,680	6,029,278
Net assets - end of year	$ 3,958,036	$ 4,508,468	$ 817,168	$ 1,311,212	$ 4,775,204	$ 5,819,680

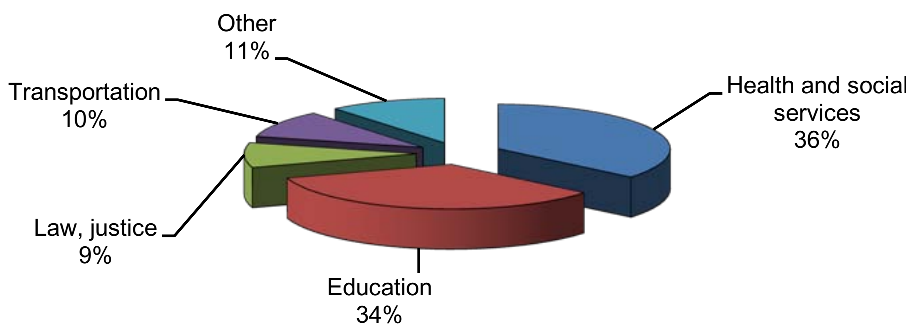
Changes in Net Assets:

Governmental activities –The net assets decreased by $550.4 million or 12.2%. Approximately 48% of the total revenue came from taxes, while 37% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 12% of the total revenues (see chart below). The State's governmental activities expenses cover a range of services and the largest expenses were for health and social services (36%) and education (34%) (see chart below). In 2009, governmental activities expenses exceeded program revenues, resulting in the use of $4 billion in general revenues, which were generated to support the government.

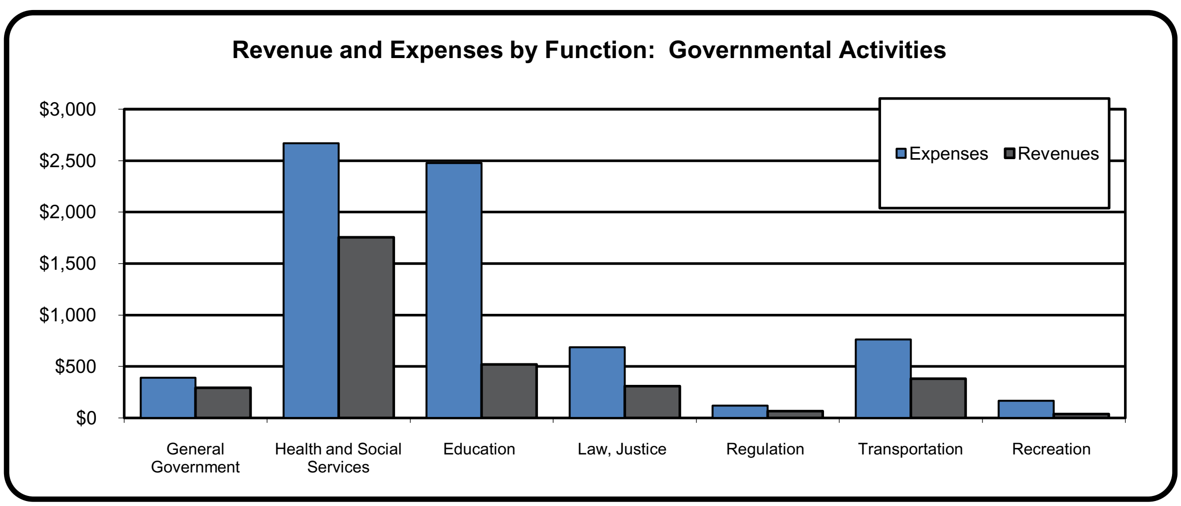
The following chart depicts the governmental activities revenues for the fiscal year:



The following chart depicts the governmental activities expenses for the fiscal year:

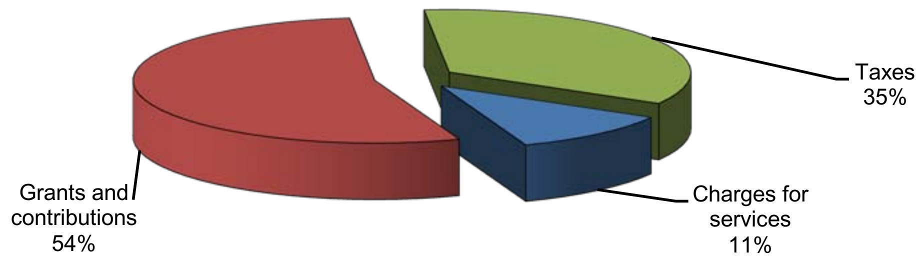


The following chart depicts the total program revenues and expenses for each function of governmental activities (expressed in millions):

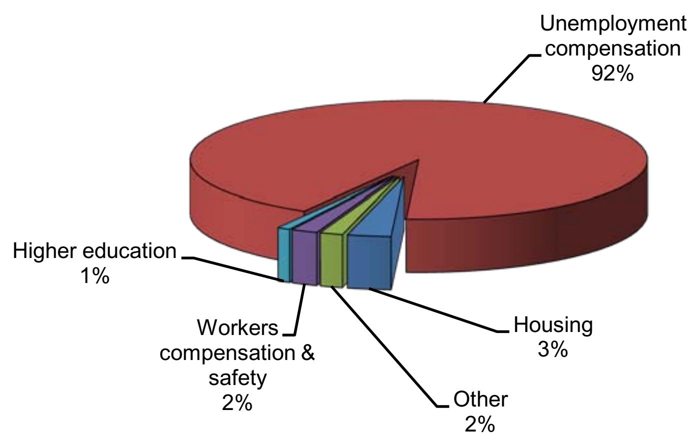


Business-type activities –The net assets decreased by $494 million or 38%. Approximately 35% of the total revenue came from taxes, while 54% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 11% of the total revenues (see chart below). The State's business-type activities expenses cover a range of services. The largest expenses were for unemployment compensation (92%) and housing (3%) (see chart below). In 2009, business-type activities expenses exceeded program revenues by $812.7 million. Of this amount, unemployment compensation was the largest, with net expenses of $838 million, resulting in the use of $343 million in general revenues generated by and restricted to the Unemployment Compensation Fund.

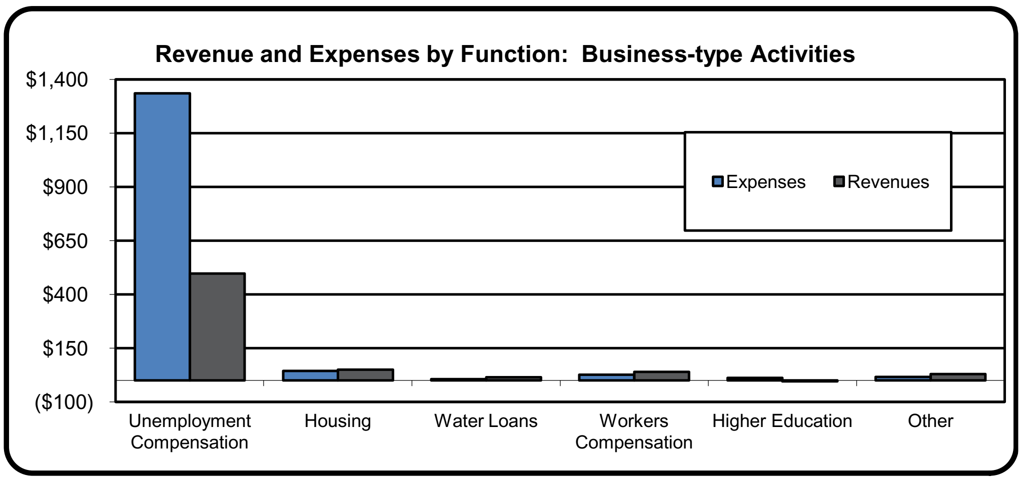
The following chart depicts the business-type activities revenues for the fiscal year:



The following chart depicts the business-type activities expenses for the fiscal year:



The following chart depicts the total program revenues and expenses for each function for business-type activities (expressed in millions):



In conclusion, the State government's overall financial position declined over the past fiscal year, with a $550 million decrease in the net assets of the governmental activities and a $494 million decrease in the net assets of the business-type activities. The change in net assets for governmental activities continued to decline from a decrease of 4.5% in the prior fiscal year to a decrease of 12.2% in the current year. The business-type activities dropped from a growth of .4% in the prior fiscal year to a 38% decline in the current year. Both Nevada and the U.S. economy continue to suffer from the decline in the housing sector and the collapse of the financial markets. Tax revenues decreased in the current fiscal year by 9.6%, compared to a decrease of 2.8% in the prior fiscal year, mainly caused by the continued slowdown in gaming, sales, property and transfer taxes. An increase in unemployment claims, mostly related to the drop in construction and leisure/hospitality employment, was another reason for the fall in growth of business-type activities.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of $1.6 billion, a decrease of $520.9 million in comparison with the prior year. Approximately 40.3% of this total amount constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior fiscal year, to pay debt service, to be held in permanent trust funds or for a variety of other purposes. The major governmental funds are discussed individually below:

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund balance was $192.8 million. The fund balance decreased by $206.9 million during the current fiscal year, which is a 51.8% decrease from the prior year. The reasons for this decrease are discussed in further detail below.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2009 and 2008 (expressed in thousands). Other financing sources are not included.

General Fund Revenues *(expressed in thousands)*

	2009		2008		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	$ 865,609	16.3%	$ 993,530	19.1%	$ (127,921)	-12.9%
Sales taxes	953,112	18.0%	1,088,024	20.8%	(134,912)	-12.4%
Modified business taxes	277,516	5.2%	284,601	5.5%	(7,085)	-2.5%
Insurance premium taxes	238,524	4.5%	256,693	4.9%	(18,169)	-7.1%
Property and transfer taxes	65,922	1.2%	85,883	1.6%	(19,961)	-23.2%
Motor and special fuel taxes	3,135	0.1%	3,146	0.1%	(11)	-0.3%
Intergovernmental	2,221,824	41.8%	1,751,697	33.6%	470,127	26.8%
Other taxes	315,726	5.9%	312,888	6.0%	2,838	0.9%
Licenses, fees and permits	209,250	3.9%	214,563	4.1%	(5,313)	-2.5%
Sales and charges for services	54,304	1.0%	60,854	1.2%	(6,550)	-10.8%
Interest and investment income	7,606	0.1%	91,737	1.8%	(84,131)	-91.7%
Other revenues	103,979	2.0%	69,736	1.3%	34,243	49.1%
Total revenues	$ 5,316,507	100.0%	$ 5,213,352	100.0%	$ 103,155	2.0%

The total General Fund revenues increased 2%. The largest increase in revenue sources was $470.1 million or 26.8% in intergovernmental revenue. These are revenues received from the federal government, and the most significant increases were from the stimulus and Medicaid programs. The stimulus program was implemented as a result of the American Recovery and Reinvestment Act (ARRA), which was signed into law on February 17, 2009 by President Obama. The intent of ARRA was to grant additional monies to all the states to stimulate economic growth. During FY09 the major stimulus funds received were $125 million for Medicaid and $139.6 million for stabilization, and the State expects to receive more than $2 billion in total over the next few years. The largest declines in revenue sources were $134.9 million or 12.4% in sales tax, $127.9 million or 12.9% in gaming taxes, fees and licenses, $84.1 million or 91.7% in interest and investment income, and $19.9 million or 23.2% in property and transfer taxes. All are due to the continued slow down of the economy and lingering effects from the collapse of the security and real estate markets.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2009 and 2008 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures *(expressed in thousands)*

	2009		2008		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	$ 97,675	1.7%	$ 146,808	2.7%	$ (49,133)	-33.5%
Health and social services	2,428,459	42.0%	2,229,277	40.4%	199,182	8.9%
Education and support services	57,077	1.0%	44,375	0.8%	12,702	28.6%
Law, justice and public safety	450,076	7.8%	444,584	8.1%	5,492	1.2%
Regulation of business	83,253	1.4%	82,727	1.5%	526	0.6%
Recreation, resource development	111,828	1.9%	137,561	2.5%	(25,733)	-18.7%
Intergovernmental	2,552,842	44.2%	2,427,716	44.0%	125,126	5.2%
Debt service	1,532	0.0%	1,633	0.0%	(101)	-6.2%
Total expenditures	$ 5,782,742	100.0%	$ 5,514,681	100.0%	$ 268,061	4.9%

The total General Fund expenditures increased 4.9%. Intergovernmental expenditures increased $125.1 million or 5.2% primarily due to intergovernmental expenditures for education, while expenditures for health and social services increased $199.1 million or 8.9%. The largest portion of this amount was for Medicaid, food stamps, and programs for Women, Infants & Children and Temporary Assistance for Needy Families.

The State Highway Fund is a special revenue fund used to account for the maintenance, regulation and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges and bond revenue. The fund balance decreased $126 million during the current fiscal year, which is a 29% decrease from the prior year. This decrease is primarily due to increased construction activity paid for with federal grants and bond proceeds from prior years. The unreserved fund balance is a negative $104.7 million and the reserved balance is a positive $414.1 million.

The Municipal Bond Bank Fund is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by $14.4 million during the current fiscal year, which is a 4.2% decrease from the prior year. This decrease was primarily due to local governments refunding certain bonds and a decrease in interest and investment income.

The Consolidated Bond Interest and Redemption Fund is a debt service fund used to accumulate monies for the payment of leases and principal and interest on general obligation bonds of the State. The fund balance increased by $9.3 million during the current fiscal year, which is a 6% increase from the prior year. The increase was due primarily to the increase in property and transfer taxes used for debt service payments.

The Stabilize the Operations of State Government Fund (also known as the "Rainy Day" fund) is a special revenue fund used to account for funds set aside according to Nevada Revised Statutes (NRS) 353.288 to be expended only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and the Governor declare a fiscal emergency. The fund balance decreased by $76.4 million during the current fiscal year, which is a 90.6% decrease from the prior year balance of $84 million. This decrease was primarily due to a transfer of $72 million, bringing the fund balance to $8 million. The $72 million transfer was an appropriation to the General Fund as authorized by Senate Bill 1 of the 24th Special Session (2008). This special session of the Legislature was convened due to a shortfall and continuing decline in general fund revenues. Under NRS 353.288, there was no annual deposit transferred from the General Fund due to a low unrestricted fund balance.

Proprietary Funds:
The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are comprised of two types: enterprise funds and internal service funds. Enterprise funds are used when goods or services are provided primarily to parties outside of the State while internal service funds are used when goods or services are provided primarily to State agencies.

Enterprise Funds – There are three *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund and Water Projects Loans Fund. The combined net assets of the three major funds comprise 96% of the total combined net assets of all enterprise funds. The combined net assets of the enterprise funds decreased by $493.9 million in 2009. The major enterprise funds are discussed below:

The Housing Division Fund provides low interest loans to first-time homebuyers with low or moderate household incomes. The net assets increased by $5.5 million or 3.2% during the current fiscal year and the results of operations were down 29% from last year, due to the downturn of the housing market.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net assets decreased by $497 million during the current fiscal year, which is a 57% decrease from the prior year. An increase in unemployment due to the slowdown in the economy and the drop in construction and hospitality/leisure employment resulted in a 204% increase in operating expenses compared to the previous year.

The Water Projects Loans Fund issues loans to governmental, as well as private entities for two programs: safe drinking water and water pollution control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. Total revenues exceeded expenses and transfers by $8.3 million during the current fiscal year, for final net assets of $233.3 million, which is a 3.7% increase from the prior year.

Internal Service Funds – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and motor pool in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2009, total internal service fund net assets decreased by $14.5 million, for a final net asset balance of $48.4 million. The two largest funds are:

The Self-Insurance Fund accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. The fund had a net loss of $11.9 million for the year as compared to a net loss of $15.7 million in the prior year, with final net assets of $51.6 million. This year's loss resulted from a 16% increase in total operating expenses. Operating expenses increased primarily as a result of higher claims and increased insurance premiums.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The deficit increased by $2.6 million or 10% during fiscal year 2009, to a total deficit of $28.3 million. This year's decrease from operations was caused primarily by a 115% increase in claims expense, and a 29% increase in operating expense. NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account.

Analysis of General Fund Budget Variations

The General Fund total sources were $370 million or 4.7% less than the final budget. This was due primarily to actual intergovernmental revenues received that were less than the final budgeted amount.

The increase in the General Fund expenditures and other uses budget from original to final was $1.45 billion. Some of the differences originate because the original budget consists only of budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. Non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions.

Some of the budget revisions included: $323.8 million for the State Distributive School Account, $217.4 million from the federal American Recovery and Reinvestment Act (ARRA) for education stabilization, $48.4 million in ARRA for government services stabilization, $17.6 million from the federal HUD for neighborhood stabilization, $238.6 million in federal Title XIX and Title IV grants for Nevada Medicaid, TANF/CHAP and Child Welfare Services, and $51.9 million in federal grants for emergency management assistance and justice assistance.

Capital Assets and Debt Administration

Capital Assets:

The State's capital assets for its governmental and business-type activities as of June 30, 2009, amount to $6 billion, net of accumulated depreciation of $829.2 million, leaving a net book value of $5.2 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80 and will also maintain its bridges so that not more than 10% are structurally deficient or functionally obsolete. The Department of Transportation conducts a biennial condition assessment of roadways and bridges in odd numbered calendar years. However, the calendar year 2009 assessment is not available as of the date of this report. Based on the 2007 assessments, the State has met the requirement of the modified approach, as follows:

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%
Actual results of 2003 condition assessment	83%	72%	90%	65%	38%

Condition Level of the Bridges

Percentage of substandard bridges

	2007	2005	2003
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	3%	5%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2009 by $3.1 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimated, condition levels are expected to continue to meet or exceed the target condition levels, as the most recent condition assessment indicates that the State already exceeds the established benchmarks in all categories. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of a growing population and economy, the State also has a substantial capital projects program. The following is a summary of major projects in progress during 2009 (expressed in millions):

	Expended by June 30, 2009	Total Budget
High Desert State Prison Phase 5	$ 48.8	$ 53.1
SNWCC 400 Bed Expansion	40.5	44.3
Indian Springs Conservation Camp	32.6	43.5
High Desert State Prison Phase 4, Indian Springs	40.1	40.7
Unified Tax System	33.8	40.5
GSF/Campos Office Building	27.0	39.7
Readiness Center North Las Vegas	-	35.8
Housing Units - Pre-Engineered	29.1	29.3
SDCC Housing Unit & Planning	3.5	27.8
Las Vegas Readiness Center	24.2	27.4

The total increase in the State's capital assets for the primary government for the current fiscal year was $404.8 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled $89 million.

Additional information on the State's capital assets can be found in Note 7 to the financial statements.

Debt Administration:
As of year-end, the State had $4.2 billion in long-term debt outstanding, compared to $4.1 billion last year, an increase of $156.4 million or 3.8% during the current fiscal year. This increase was due primarily to the issuance of general obligation bonds.

The most current bond ratings from Fitch, Moody's Investor Service and Standard and Poor's were AA, Aa2 and AA+, respectively. Although the State has experienced financial challenges this year, Nevada retained its high 'AA' credit ratings. These ratings are an indication of high quality obligations and a reflection of sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State.

New bonds issued during the 2009 fiscal year were (expressed in thousands):

General Obligation Capital Improvements and Cultural Affairs	7/31/08C	$	279,825
General Obligation Natural Resources	7/31/08D		13,000
General Obligation Open Space, Parks and Natural Resources	7/31/08E		7,500
Safe Drinking Water Act Revolving Fund Matching	7/31/08F		3,330
Water Pollution Control Revolving Fund Matching	7/31/08G		1,000
Housing Single-Family 2008 Issue B	9/25/2008		17,500
Housing Single-Family 2008 Issue B Variable	9/25/2008		7,500
Housing Multi-Unit Sierra Manor	12/18/2008		11,000
Housing Single-Family 2009 Issue A	6/2/2009		23,180

This list of new bonds does not agree completely with the schedule of additions to bonds payable as seen in Note 8 to the financial statements, due to the inclusion of accreted interest, deferred items and bonds redeemed prior to year-end.

Additional information on the State's long-term debt obligations can be found in Note 8 to the financial statements and in the Statistical Section.

Requests for Information

This financial report is designed to provide a general overview of the State of Nevada's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701-4786 or visit our website at: www.controller.nv.gov.

BASIC FINANCIAL STATEMENTS

Statement of Net Assets

NEVADA

June 30, 2009 (Expressed in Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Colorado River Commission	Nevada System of Higher Education
Assets					
Cash and pooled investments	$ 1,527,807	$ 405,190	$ 1,932,997	$ 4,902	$ 81,582
Investments	638,447	725,299	1,363,746	-	762,449
Collateral on loaned securities	185	-	185	-	-
Internal balances	1,319	(1,319)	-	-	-
Due from the state	-	-	-	121	103,325
Accounts receivable	63,795	4,195	67,990	13,637	36,502
Taxes/assessments receivable	672,981	123,174	796,155	-	-
Intergovernmental receivables	443,731	1,373	445,104	-	36,664
Accrued interest and dividends	12,617	16,122	28,739	65	-
Contracts receivable	-	17,811	17,811	-	-
Mortgages receivable	-	586,716	586,716	-	-
Notes/loans receivable	632	9,641	10,273	-	11,864
Other receivables	16	211	227	-	63,875
Inventory	13,226	1,708	14,934	-	6,073
Prepaid expenses	3,210	9	3,219	37,806	-
Deferred charges	12,700	4,251	16,951	-	-
Restricted assets:					
Cash	-	-	-	10,498	10,056
Investments	-	142,539	142,539	-	-
Other assets	-	3,473	3,473	-	41,797
Capital assets:					
Land, infrastructure and construction in progress	4,054,292	8,255	4,062,547	370	218,376
Other capital assets, net	1,143,816	2,105	1,145,921	58,547	1,697,036
Total assets	8,588,774	2,050,753	10,639,527	125,946	3,069,599
Liabilities					
Accounts payable	661,146	54,693	715,839	9,418	48,348
Accrued payroll and related liabilities	59,688	897	60,585	-	28,750
Intergovernmental payables	162,871	11	162,882	-	7,545
Interest payable	27,553	9,904	37,457	1,440	11,188
Due to component units	103,382	64	103,446	-	-
Contracts/retentions payable	62,387	-	62,387	-	-
Obligations under securities lending	185	-	185	-	-
Unearned revenues	330,068	9,070	339,138	565	38,295
Other liabilities	50,830	5,326	56,156	3,814	23,867

Long-term liabilities:					
Portion due or payable within one year:					
Reserve for losses	53,536	-	53,536	-	-
Obligations under capital leases	2,107	-	2,107	-	3,557
Compensated absences	69,549	1,150	70,699	193	29,041
Benefits payable	-	8,700	8,700	-	-
Bonds payable	190,190	18,684	208,874	5,387	19,087
Certificates of participation payable	1,370	-	1,370	-	-
Portion due or payable after one year:					
Reserve for losses	27,933	-	27,933	-	-
Obligations under capital leases	15,809	-	15,809	-	6,908
Compensated absences	32,997	642	33,639	80	14,045
Benefits payable	-	116,231	116,231	-	-
Bonds payable	2,721,902	1,008,141	3,730,043	96,779	510,481
Certificates of participation payable	56,660	-	56,660	-	-
Arbitrage rebate liability	575	72	647	-	-
Total liabilities	4,630,738	1,233,585	5,864,323	117,676	741,112
Net Assets					
Invested in capital assets, net of related debt	3,492,205	3,286	3,495,491	(3,934)	1,384,584
Restricted for:					
Unemployment compensation	-	370,277	370,277	-	-
Security of outstanding obligations	-	177,319	177,319	-	-
Workers' compensation	-	36,560	36,560	-	-
Capital projects	6,448	-	6,448	-	116,145
Debt service	34,459	-	34,459	-	11,538
Education and support services	3,921	-	3,921	-	-
Transportation	265,680	-	265,680	-	-
Recreation and resource development	39,655	233,282	272,937	-	-
Law, justice and public safety	7,606	-	7,606	-	-
Health and social services	39,918	-	39,918	-	-
Regulation of business	12,034	1,910	13,944	-	-
Municipal securities	1,278	-	1,278	-	-
Scholarships	-	-	-	-	229,259
Loans	-	-	-	-	5,488
Operations and maintenance	-	-	-	713	-
Funds held as permanent investments:					
Nonexpendable	291,724	-	291,724	-	231,240
Expendable	20	-	20	-	-
Unrestricted (deficit)	(236,912)	(5,466)	(242,378)	11,491	350,233
Total net assets	$ 3,958,036	$ 817,168	$ 4,775,204	$ 8,270	$ 2,328,487

The notes to the financial statements are an integral part of this statement.

Statement of Activities

NEVADA

For the Fiscal Year Ended June 30, 2009 (Expressed in Thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets				
					Primary Government			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Colorado River Commission	Nevada System of Higher Education
Primary Government									
Governmental activities:									
General government	$ 389,943	$ 281,997	$ 10,320	$ -	$ (97,626)	$ -	$ (97,626)	$ -	$ -
Health and social services	2,667,419	141,473	1,613,918	-	(912,028)	-	(912,028)	-	-
Education and support services	2,475,416	3,963	515,454	-	(1,955,999)	-	(1,955,999)	-	-
Law, justice and public safety	687,410	252,755	52,402	3,675	(378,578)	-	(378,578)	-	-
Regulation of business	118,086	60,655	5,819	-	(51,612)	-	(51,612)	-	-
Transportation	762,610	18,742	345,044	15,698	(383,126)	-	(383,126)	-	-
Recreation and resource development	165,741	35,308	1,075	235	(129,123)	-	(129,123)	-	-
Interest on long-term debt	138,304	-	-	-	(138,304)	-	(138,304)	-	-
Unallocated depreciation	976	-	-	-	(976)	-	(976)	-	-
Total governmental activities	7,405,905	794,893	2,544,032	19,608	(4,047,372)	-	(4,047,372)	-	-
Business-type activities:									
Unemployment insurance	1,336,043	1,460	496,543	-	-	(838,040)	(838,040)	-	-
Housing	44,382	26,604	23,329	-	-	5,551	5,551	-	-
Water loans	6,218	8,648	7,405	-	-	9,835	9,835	-	-
Workers' compensation and safety	26,801	38,955	2,293	-	-	14,447	14,447	-	-
Higher education	13,103	73	(4,032)	-	-	(17,062)	(17,062)	-	-
Other	16,967	29,504	12	-	-	12,549	12,549	-	-
Total business-type activities	1,443,514	105,244	525,550	-	-	(812,720)	(812,720)	-	-
Total primary government	$ 8,849,419	$ 900,137	$ 3,069,582	$ 19,608	(4,047,372)	(812,720)	(4,860,092)	-	-
Component Units									
Colorado River Commission	$ 86,867	$ 85,957	$ -	$ -	-	-	-	(910)	-
Nevada System of Higher Education	1,518,088	514,447	383,257	2,366	-	-	-	-	(618,018)
Total component units	$ 1,604,955	$ 600,404	$ 383,257	$ 2,366	-	-	-	(910)	(618,018)

General revenues:					
Taxes:					
Gaming	848,437	-	848,437	-	-
Sales and use	850,211	-	850,211	-	-
Modified business	281,605	-	281,605	-	-
Insurance premium	241,252	-	241,252	-	-
Property and transfer	65,922	-	65,922	-	-
Motor and special fuel	3,135	-	3,135	-	-
Other	280,841	-	280,841	-	-
Restricted for unemployment compensation:					
Other taxes	-	342,588	342,588	-	-
Restricted for educational purposes:					
Sales and use taxes	93,576	-	93,576	-	-
Gaming taxes	34,617	-	34,617	-	-
Restricted for debt service purposes:					
Property and transfer taxes	185,920	-	185,920	-	-
Motor and special fuel taxes	88,996	-	88,996	-	-
Other	32,765	-	32,765	-	-
Restricted for recreation and resource development					
Other taxes	28,774	-	28,774	-	-
Land Sales	13,903	-	13,903	-	-
Restricted for health and social services purposes:					
Property and transfer taxes	27,039	-	27,039	-	-
Other taxes	33,796	-	33,796	-	-
Restricted for transportation purposes:					
Motor and special fuel taxes	180,483	-	180,483	-	-
Other taxes	27,106	-	27,106	-	-
Restricted for regulation purposes:					
Other taxes	4,187	-	4,187	-	-
Tobacco settlement income	50,959	-	50,959	-	-
Unrestricted investment earnings	9,026	-	9,026	271	(121,365)
Other general revenues	83,459	-	83,459	583	14,634
Contributions to permanent funds	7,019	-	7,019	-	16,698
Payments from State of Nevada	-	-	-	-	592,725
Transfers	23,912	(23,912)	-	-	-
Total general revenues and transfers	3,496,940	318,676	3,815,616	854	502,692
Change in net assets	(550,432)	(494,044)	(1,044,476)	(56)	(115,326)
Net assets - beginning	4,508,468	1,311,212	5,819,680	8,326	2,443,813
Net assets - ending	$ 3,958,036	$ 817,168	$ 4,775,204	$ 8,270	$ 2,328,487

The notes to the financial statements are an integral part of this statement.

Balance Sheet
Governmental Funds

June 30, 2009

	General Fund	State Highway	Municipal Bond Bank
Assets			
Cash and pooled investments:			
Cash with treasurer	$ 446,950,720	$ 310,735,506	$ 220,305
Cash in custody of other officials	3,495,303	191,353	-
Investments	21,002,185	-	326,335,000
Collateral on loaned securities	184,807	-	-
Receivables:			
Accounts receivable	29,888,277	5,751,540	-
Taxes receivable	630,594,879	36,062,235	-
Intergovernmental receivables	262,869,832	29,244,739	-
Accrued interest and dividends	8,431,916	-	1,488,539
Notes/loans receivable	489,015	-	-
Other receivables	15,830	-	-
Due from other funds	48,443,934	12,230,978	13,229
Due from fiduciary funds	525,187	-	-
Due from component units	148,472	-	-
Inventory	-	11,742,694	-
Advances to other funds	3,453,441	-	-
Prepaid items	2,917,206	7,077	-
Total assets	$ 1,459,411,004	$ 405,966,122	$ 328,057,073
Liabilities and Fund Balances			
Accounts payable and accruals:			
Accounts payable	$ 268,272,538	$ 18,218,576	$ -
Accrued payroll and related liabilities	39,690,065	14,509,159	-
Intergovernmental payables	152,578,721	5,738,769	-
Interest payable	-	-	-
Contracts/retentions payable	1,072,408	28,974,345	-
Obligations under securities lending	184,807	-	-
Due to other funds	41,921,259	6,359,048	444,591
Due to fiduciary funds	348,547,173	1,475,810	-
Due to component units	9,875,254	322,927	-
Deferred revenues	355,723,078	19,407,655	1,490,025
Bonds payable	-	-	-
Other liabilities	48,723,615	1,566,852	-
Total liabilities	1,266,588,918	96,573,141	1,934,616
Fund balances:			
Reserved:			
Encumbrances and contracts	6,651,966	402,334,080	-
Inventories	-	11,742,694	-
Advances	3,453,441	-	-
Funds held as permanent investments	-	-	-
Fiscal emergency	-	-	-
Debt service	-	-	-
Other	3,406,221	7,077	-
Unreserved, designated for balances forward	178,611,297	-	-
Unreserved, designated for approved capital projects	699,161	-	-
Unreserved, designated, reported in nonmajor:			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Unreserved, undesignated	-	(104,690,870)	326,122,457
Unreserved, undesignated, reported in nonmajor:			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Permanent funds	-	-	-
Total fund balances	192,822,086	309,392,981	326,122,457
Total liabilities and fund balances	$ 1,459,411,004	$ 405,966,122	$ 328,057,073

The notes to the financial statements are an integral part of this statement.

Consolidated Bond Interest and Redemption	Stabilize the Operations of State Government	Other Governmental Funds	Total Governmental Funds
$ 168,736,531	$ 7,760,635	$ 468,676,889	$ 1,403,080,586
-	-	3,303,745	6,990,401
-	-	291,109,477	638,446,662
-	-	-	184,807
-	-	25,278,650	60,918,467
-	-	6,324,042	672,981,156
132,007,078	-	8,797,045	432,918,694
-	-	2,696,549	12,617,004
-	-	28,069	517,084
-	-	-	15,830
7,062,011	176,575	30,366,424	98,293,151
-	-	479,720	1,004,907
6,175,000	-	55,364	6,378,836
-	-	1,291,003	13,033,697
1,657,001	-	-	5,110,442
-	-	18,759	2,943,042
$ 315,637,621	$ 7,937,210	$ 838,425,736	$ 3,355,434,766
$ 102,353	$ 295	$ 8,083,797	$ 294,677,559
-	-	4,013,350	58,212,574
-	-	4,521,256	162,838,746
3,495,840	-	-	3,495,840
-	-	32,340,666	62,387,419
-	-	-	184,807
4,526,312	-	48,680,371	101,931,581
-	-	198,158	350,221,141
-	-	100,700,176	110,898,357
137,535,143	6,303	25,416,872	539,579,076
9,205,000	-	-	9,205,000
-	-	539,273	50,829,740
154,864,648	6,598	224,493,919	1,744,461,840
-	-	34,891,142	443,877,188
-	-	1,291,003	13,033,697
1,657,001	-	-	5,110,442
-	-	291,724,318	291,724,318
-	632,516	-	632,516
159,115,972	-	34,458,904	193,574,876
-	-	9,864,379	13,277,677
-	-	-	178,611,297
-	-	-	699,161
-	-	277,101	277,101
-	-	73,898,437	73,898,437
-	7,298,096	-	228,729,683
-	-	167,512,205	167,512,205
-	-	(6,146)	(6,146)
-	-	20,474	20,474
160,772,973	7,930,612	613,931,817	1,610,972,926
$ 315,637,621	$ 7,937,210	$ 838,425,736	$ 3,355,434,766

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Total fund balances - governmental funds		$ 1,610,972,926
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 136,968,954	
Construction in progress	269,146,762	
Infrastructure assets	3,125,559,258	
Rights-of-way	522,486,390	
Buildings	1,303,289,567	
Improvements other than buildings	112,904,825	
Furniture and equipment	326,316,601	
Software costs	136,238,926	
Accumulated depreciation/amortization	(765,850,428)	
Total capital assets		5,167,060,855
Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		209,530,156
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		48,615,820
The deferred loss on early retirement of debt is reported as a deferred charge on the statement of net assets and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less.		19,859
Certain bond costs are reported as a deferred charge on the statement of net assets and are amortized over the life of the debt.		12,680,005
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(2,894,560,403)	
Accrued interest on bonds	(24,057,276)	
Arbitrage rebate liability	(574,566)	
Certificates of participation	(58,030,000)	
Capital leases	(14,106,351)	
Compensated absences	(99,515,296)	
Total long-term liabilities		(3,090,843,892)
Net assets of governmental activities		$ 3,958,035,729

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Fiscal Year Ended June 30, 2009

	General Fund	State Highway	Municipal Bond Bank
Revenues			
Gaming taxes, fees, licenses	$ 865,609,151	$ -	$ -
Sales taxes	953,111,699	-	-
Modified business taxes	277,516,292	-	-
Insurance premium taxes	238,524,098	-	-
Property and transfer taxes	65,922,452	-	-
Motor and special fuel taxes	3,135,150	180,483,018	-
Other taxes	315,725,692	27,106,185	-
Intergovernmental	2,221,823,760	370,381,051	-
Licenses, fees and permits	209,250,029	177,966,155	-
Sales and charges for services	54,303,594	14,418,271	-
Interest and investment income	7,606,250	2,743,127	16,259,110
Tobacco settlement income	-	-	-
Land sales	-	-	-
Other	103,978,915	25,448,811	-
Total revenues	5,316,507,082	798,546,618	16,259,110
Expenditures			
Current:			
General government	97,674,477	1,427,553	3,470
Health and social services	2,428,459,486	-	-
Education and support services	57,076,784	-	-
Law, justice and public safety	450,076,360	161,826,775	-
Regulation of business	83,253,060	-	-
Transportation	-	747,424,741	-
Recreation and resource development	111,827,586	-	-
Intergovernmental	2,552,842,165	29,782,612	-
Capital outlay	-	-	-
Debt service:			
Principal	842,114	95,983	-
Interest, fiscal charges	626,500	14,037	-
Debt issuance costs	62,968	96,145	-
Total expenditures	5,782,741,500	940,667,846	3,470
Excess (deficiency) of revenues over expenditures	(466,234,418)	(142,121,228)	16,255,640
Other Financing Sources (Uses)			
Capital leases	20,271	-	-
Sale of general obligation bonds	10,312,613	18,861,583	-
Premium on general obligation bonds	258,253	1,234,562	-
Sale of capital assets	94,231	584,542	-
Transfers in	337,785,103	17,288,802	-
Transfers out	(89,165,056)	(21,729,770)	(30,659,915)
Total other financing sources (uses)	259,305,415	16,239,719	(30,659,915)
Net change in fund balances	(206,929,003)	(125,881,509)	(14,404,275)
Fund balances, July 1	399,751,089	435,274,490	340,526,732
Fund balances, June 30	$ 192,822,086	$ 309,392,981	$ 326,122,457

Consolidated Bond Interest and Redemption	Stabilize the Operations of State Government	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 14,963,890	$ 880,573,041
-	-	-	953,111,699
-	-	-	277,516,292
-	-	-	238,524,098
185,920,012	-	27,038,631	278,881,095
-	-	88,995,881	272,614,049
-	-	44,617,282	387,449,159
17,648,698	-	62,896,880	2,672,750,389
-	-	32,297,555	419,513,739
-	-	16,679,073	85,400,938
1,485,196	(12,781)	16,750,229	44,831,131
-	-	50,061,832	50,061,832
-	-	663,222	663,222
-	-	12,380,379	141,808,105
205,053,906	(12,781)	367,344,854	6,703,698,789
648,571	20,191	67,135,035	166,909,297
-	-	82,070,030	2,510,529,516
-	-	738,462	57,815,246
-	13,191	16,583,655	628,499,981
-	-	22,378,158	105,631,218
-	-	-	747,424,741
-	-	23,444,636	135,272,222
278,238	121,565	123,000,230	2,706,024,810
-	-	176,598,594	176,598,594
131,535,000	-	51,502,509	183,975,606
107,237,163	-	37,290,880	145,168,580
483,390	-	1,437,938	2,080,441
240,182,362	154,947	602,180,127	7,565,930,252
(35,128,456)	(167,728)	(234,835,273)	(862,231,463)
-	-	-	20,271
483,390	-	270,726,063	300,383,649
-	-	17,001,477	18,494,292
-	-	5,305	684,078
43,902,332	310,223	76,116,896	475,403,356
-	(76,500,000)	(235,640,990)	(453,695,731)
44,385,722	(76,189,777)	128,208,751	341,289,915
9,257,266	(76,357,505)	(106,626,522)	(520,941,548)
151,515,707	84,288,117	720,558,339	2,131,914,474
$ 160,772,973	$ 7,930,612	$ 613,931,817	$ 1,610,972,926

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Net change in fund balances - total governmental funds		$ (520,941,548)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:		
Capital outlay	$227,811,614	
Depreciation expense	(81,414,672)	
Excess of capital outlay over depreciation expense		146,396,942
Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
Bonds issued	(300,325,000)	
Premiums on debt issued	(18,494,292)	
Total bond proceeds		(318,819,292)
Some capital additions were financed through capital leases. In the governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.		(20,271)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:		
Bond principal retirement	180,176,677	
Certficates of participation retirement	1,290,000	
Capital lease payments	1,041,653	
Total long-term debt repayment		182,508,330
Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.		(14,363,977)
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues decreased by this amount this year.		(30,045,288)
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold.		(2,303,693)
In the statement of activities, bond issuance costs are deferred and amortized over the life of the bonds, whereas in governmental funds the entire expenditure is recognized.		2,021,791
Amortization of bond issuance costs is reported as an expense for the statement of activities.		(949,556)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		(555,315)
Amortization of bond premiums is reported as a reduction of interest expense for the statement of activities.		9,857,991
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Net decrease in accrued interest	(5,154)	
Increase in compensated absences	(3,213,272)	
Decrease in arbitrage liability	579	
Total additional expenditures		(3,217,847)
Change in net assets of governmental activities		$ (550,431,733)

The notes to the financial statements are an integral part of this statement.

Statement of Net Assets
Proprietary Funds

June 30, 2009

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and pooled investments:						
Cash with treasurer	$ 110,894	$ -	$ 64,928,849	$54,843,212	$ 119,882,955	$117,735,704
Cash in custody of other officials	96,795	282,417,051	-	2,793,220	285,307,066	100
Investments	47,877,276	-	-	-	47,877,276	-
Receivables:						
Accounts receivable	-	-	-	4,185,554	4,185,554	1,849,097
Assessments receivable	-	123,173,662	-	-	123,173,662	-
Intergovernmental receivables	-	-	862,714	510,596	1,373,310	7,723,775
Contracts receivable	-	-	-	4,400,000	4,400,000	-
Mortgages receivable	10,017,215	-	-	-	10,017,215	-
Accrued interest and dividends	8,705,085	3,639,753	2,867,524	507,293	15,719,655	-
Notes/loans receivable	-	-	-	-	-	10,000
Trades pending settlement	-	-	-	210,832	210,832	-
Due from other funds	149,970	-	536,831	1,933,834	2,620,635	7,286,036
Due from fiduciary funds	-	-	-	9,329	9,329	22,841
Due from component units	-	-	-	580	580	1,161,359
Inventory	-	-	-	1,708,492	1,708,492	192,657
Prepaid expenses	-	-	-	8,692	8,692	266,870
Deferred outflow of resources	3,458,201	-	-	-	3,458,201	-
Restricted assets:						
Investments	122,060,539	-	-	-	122,060,539	-
Total current assets	192,475,975	409,230,466	69,195,918	71,111,634	742,013,993	136,248,439
Noncurrent assets:						
Investments	325,738,802	-	264,928,265	86,754,479	677,421,546	-
Receivables:						
Intergovernmental receivables	-	-	-	-	-	3,088,035
Contracts receivable	-	-	-	13,411,298	13,411,298	-
Mortgages receivable	576,698,838	-	-	-	576,698,838	-
Accrued interest and dividends	-	-	-	402,711	402,711	-
Notes/loans receivable	-	-	8,092,330	1,548,311	9,640,641	105,000
Deferred charges	2,789,935	-	1,362,792	97,921	4,250,648	-
Restricted assets:						
Investments	20,478,619	-	-	-	20,478,619	-
Other assets	-	-	-	15,000	15,000	-
Capital assets:						
Land	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	3,388,840	3,388,840	22,078,621
Improvements other than buildings	-	-	-	630,647	630,647	713,667
Furniture and equipment	382,518	-	35,280	4,985,882	5,403,680	48,810,825
Software costs	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	7,687,196	7,687,196	-
Less accumulated depreciation/ amortization	(348,533)	-	(32,659)	(6,937,383)	(7,318,575)	(56,010,308)
Total noncurrent assets	925,740,179	-	274,386,008	112,552,714	1,312,678,901	34,240,604
Total assets	1,118,216,154	409,230,466	343,581,926	183,664,348	2,054,692,894	170,489,043

NEVADA

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable and accruals:						
Accounts payable	$ 14,307,553	$ 38,807,013	$ 75,681	$ 1,444,849	$ 54,635,096	$ 8,560,229
Accrued payroll and related liabilities	95,687	-	20,951	780,656	897,294	1,475,442
Interest payable	7,888,491	-	1,986,159	29,457	9,904,107	-
Intergovernmental payables	-	-	-	11,485	11,485	32,077
Trades pending settlement	-	-	-	1,858,913	1,858,913	-
Bank overdraft	-	-	-	-	-	6,956,243
Due to other funds	3,241	146,518	550,276	2,659,337	3,359,372	2,908,867
Due to fiduciary funds	-	-	-	56,417	56,417	730,914
Due to component units	-	-	-	65,013	65,013	23,437
Unearned revenues	-	-	-	9,069,558	9,069,558	19,350
Derivative instrument - interest rate swap	3,458,201	-	-	-	3,458,201	-
Other liabilities	-	-	-	8,762	8,762	-
Short-term portion of long-term liabilities:						
Reserve for losses	-	-	-	-	-	53,536,327
Compensated absences	154,883	-	34,392	960,309	1,149,584	1,984,383
Benefits payable	-	-	-	8,700,000	8,700,000	-
Bonds payable	10,523,000	-	8,024,097	136,710	18,683,807	513,323
Obligations under capital leases	-	-	-	-	-	1,242,483
Total current liabilities	36,431,056	38,953,531	10,691,556	25,781,466	111,857,609	77,983,075
Noncurrent liabilities:						
Advances from funds	-	-	-	403,108	403,108	4,707,334
Reserve for losses	-	-	-	-	-	27,932,821
Compensated absences	124,109	-	23,794	494,549	642,452	1,045,957
Benefits payable	-	-	-	116,231,000	116,231,000	-
Bonds payable	901,260,000	-	99,510,138	7,370,946	1,008,141,084	7,813,768
Obligations under capital leases	-	-	-	-	-	2,567,440
Arbitrage rebate liability	-	-	72,162	-	72,162	-
Total noncurrent liabilities	901,384,109	-	99,606,094	124,499,603	1,125,489,806	44,067,320
Total liabilities	937,815,165	38,953,531	110,297,650	150,281,069	1,237,347,415	122,050,395
Net Assets						
Invested in capital assets, net of related debt	33,985	-	2,621	3,249,779	3,286,385	18,910,555
Restricted for:						
Unemployment compensation	-	370,276,935	-	-	370,276,935	-
Security of outstanding obligations	177,318,930	-	-	-	177,318,930	-
Workers' compensation	-	-	-	36,560,295	36,560,295	-
Revolving loans	-	-	233,281,655	-	233,281,655	-
Regulation of business	-	-	-	1,910,383	1,910,383	-
Unrestricted (deficit)	3,048,074	-	-	(8,337,178)	(5,289,104)	29,528,093
Total net assets	$ 180,400,989	$ 370,276,935	$ 233,284,276	$33,383,279	817,345,479	$ 48,438,648

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.	(177,172)
Net assets of business-type activities	$ 817,168,307

The notes to the financial statements are an integral part of this statement.

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Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds

NEVADA

For the Fiscal Year Ended June 30, 2009

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues						
Net premium income	$ -	$ -	$ -	$ -	$ -	$346,319,530
Sales	-	-	-	13,106,725	13,106,725	3,458,594
Assessments	-	342,588,330	-	34,478,803	377,067,133	-
Charges for services	-	-	-	14,605,799	14,605,799	47,056,061
Rental income	-	-	-	144,421	144,421	21,324,475
Interest income on loans/notes	23,133,223	-	8,648,314	190,498	31,972,035	-
Federal government	-	463,904,746	6,846,331	-	470,751,077	-
Licenses, fees and permits	-	-	-	6,927,541	6,927,541	-
Fines	-	-	-	1,861,073	1,861,073	-
Other	3,470,747	1,460,035	-	3,344,907	8,275,689	3,721,880
Total operating revenues	26,603,970	807,953,111	15,494,645	74,659,767	924,711,493	421,880,540
Operating Expenses						
Salaries and benefits	2,040,262	-	467,195	18,758,968	21,266,425	34,268,604
Operating	2,956,898	-	714,938	15,804,424	19,476,260	38,990,957
Claims and benefits expense	-	1,335,519,585	-	18,906,986	1,354,426,571	257,690,181
Interest on bonds payable	36,353,983	-	-	-	36,353,983	-
Materials or supplies used	-	-	-	2,538,439	2,538,439	1,105,868
Servicers' fees	141,910	-	-	-	141,910	-
Depreciation	23,277	-	1,477	418,730	443,484	5,650,966
Amortization	-	-	-	-	-	1,532,381
Bond issuance costs amortization	137,933	-	169,256	-	307,189	-
Insurance premiums	-	-	-	-	-	98,654,774
Total operating expenses	41,654,263	1,335,519,585	1,352,866	56,427,547	1,434,954,261	437,893,731
Operating income (loss)	(15,050,293)	(527,566,474)	14,141,779	18,232,220	(510,242,768)	(16,013,191)
Nonoperating Revenues (Expenses)						
Interest and investment income	20,378,829	27,142,493	558,341	(10,064,968)	38,014,695	(82,400)
Interest expense	-	-	(4,826,671)	(344,662)	(5,171,333)	(384,106)
Bond issuance costs amortization	-	-	-	(3,446)	(3,446)	-
Federal grant revenue	2,950,500	5,495,529	-	2,189,478	10,635,507	-
Federal grant expense	(2,725,935)	-	-	-	(2,725,935)	-
Reed Act expenses	-	(523,264)	-	-	(523,264)	-
Gain (loss) on disposal of assets	-	-	-	21,115	21,115	(187,076)
Arbitrage rebate	-	-	(38,157)	-	(38,157)	-
Total nonoperating revenues (expenses)	20,603,394	32,114,758	(4,306,487)	(8,202,483)	40,209,182	(653,582)
Income (loss) before transfers	5,553,101	(495,451,716)	9,835,292	10,029,737	(470,033,586)	(16,666,773)
Transfers						
Transfers in	-	-	-	2,013,446	2,013,446	2,304,667
Transfers out	-	(1,515,048)	(1,535,394)	(22,875,296)	(25,925,738)	(100,000)
Change in net assets	5,553,101	(496,966,764)	8,299,898	(10,832,113)	(493,945,878)	(14,462,106)
Net assets, July 1	174,847,888	867,243,699	224,984,378	44,215,392		62,900,754
Net assets, June 30	$180,400,989	$ 370,276,935	$233,284,276	$33,383,279		$ 48,438,648

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	(98,129)
Change in net assets of business-type activities	$(494,044,007)

Statement of Cash Flows
Proprietary Funds

For the Fiscal Year Ended June 30, 2009

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	$ 9,258,197	$ 340,305,366	$ -	$ 70,058,461	$ 419,622,024	$ 90,098,485
Receipts for interfund services provided	3,650	2,086,736	-	3,487,560	5,577,946	252,584,127
Receipts from component units	-	-	-	-	-	76,935,755
Receipts of principal on loans/notes	41,573,881	-	19,150,860	318,814	61,043,555	-
Receipts of interest on loans/notes	25,265,353	-	9,907,143	120,587	35,293,083	-
Receipts from federal government	-	463,904,746	6,521,291	-	470,426,037	-
Payments to suppliers, other governments and beneficiaries	(6,882,771)	(1,305,670,475)	(621,399)	(22,366,092)	(1,335,540,737)	(369,017,494)
Payments to employees	(1,928,915)	-	(453,266)	(17,936,210)	(20,318,391)	(33,447,065)
Payments for interfund services	(313,580)	-	(109,862)	(6,297,424)	(6,720,866)	(19,356,574)
Payments to component units	-	-	-	(3,084,513)	(3,084,513)	(146,692)
Purchase of loans and notes	(53,727,067)	-	(7,755,729)	(351,328)	(61,834,124)	-
Net cash provided by (used for) operating activities	13,248,748	(499,373,627)	26,639,038	23,949,855	(435,535,986)	(2,349,458)
Cash flows from noncapital financing activities						
Grant receipts	-	5,495,529	-	2,321,526	7,817,055	-
Proceeds from sale of bonds	59,180,000	-	4,308,243	-	63,488,243	-
Transfers and advances from other funds	2,950,500	-	-	2,032,005	4,982,505	166,363
Principal paid on noncapital debt	(33,592,000)	-	(6,980,000)	-	(40,572,000)	-
Interest paid on noncapital debt	(36,495,807)	-	(4,887,514)	-	(41,383,321)	-
Transfers and advances to other funds	-	(1,368,530)	(1,367,692)	(23,766,871)	(26,503,093)	(100,000)
Other noncapital financing activities	(3,497,597)	(523,264)	-	(589)	(4,021,450)	-
Net cash provided by (used for) noncapital financing activities	(11,454,904)	3,603,735	(8,926,963)	(19,413,929)	(36,192,061)	66,363
Cash flows from capital and related financing activities						
Transfers from (reversions to) other funds	-	-	-	-	-	164,149
Proceeds from sale of capital assets	-	-	-	25,575	25,575	170,419
Purchase of capital assets	-	-	-	(192,665)	(192,665)	(2,619,110)
Principal paid on capital debt	-	-	-	(136,762)	(136,762)	(4,903,067)
Interest paid on capital debt	-	-	-	(385,249)	(385,249)	(170,315)
Payments on construction projects	-	-	-	(2,895,598)	(2,895,598)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	(3,584,699)	(3,584,699)	(7,357,924)
Cash flows from investing activities						
Proceeds from sale of investments	321,001,573	-	-	129,246,259	450,247,832	-
Purchase of investments	(343,739,550)	-	-	(129,049,016)	(472,788,566)	-
Interest and dividends received	20,453,877	32,632,118	466,330	3,350,162	56,902,487	203,775
Net cash provided by (used for) investing activities	(2,284,100)	32,632,118	466,330	3,547,405	34,361,753	203,775
Net increase (decrease) in cash	(490,256)	(463,137,774)	18,178,405	4,498,632	(440,950,993)	(9,437,244)
Cash and cash equivalents, July 1	697,945	745,554,825	46,750,444	53,137,800	846,141,014	127,173,048
Cash and cash equivalents, June 30	$ 207,689	$ 282,417,051	$ 64,928,849	$ 57,636,432	$ 405,190,021	$ 117,735,804

NEVADA

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	$ (15,050,293)	$ (527,566,474)	$ 14,141,779	$ 18,232,220	$ (510,242,768)	$ (16,013,191)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	23,277	-	1,477	418,730	443,484	5,650,966
Amortization	-	-	-	-	-	1,532,381
Bond issuance costs amortization	137,933	-	169,256	-	307,189	-
Interest on bonds payable	36,353,983	-	-	-	36,353,983	-
Decrease (increase) in loans and notes receivable	(10,280,004)	-	11,392,297	(32,842)	1,079,451	-
Decrease (increase) in accrued interest and receivables	(49,876)	(1,656,263)	936,622	(506,852)	(1,276,369)	(2,017,942)
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	74,559	74,559	(158,707)
Increase (decrease) in accounts payable, accruals, other liabilities	2,113,728	29,849,110	(2,393)	5,764,040	37,724,485	8,657,035
Total adjustments	28,299,041	28,192,847	12,497,259	5,717,635	74,706,782	13,663,733
Net cash provided by (used for) operating activities	$ 13,248,748	$ (499,373,627)	$ 26,639,038	$ 23,949,855	$ (435,535,986)	$ (2,349,458)
Noncash investing, capital and financing activities						
Capital assets leased or acquired	$ -	$ -	$ -	$ -	$ -	$ 548,179
Gain (loss) on disposal of assets	-	-	-	-	-	(187,076)
Construction completed or in progress	-	-	-	26,177	26,177	-
Increase (decrease) in fair value of investments	(111,061)	-	(918,996)	(14,173,925)	(15,203,982)	(1,690,517)

The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Assets
Fiduciary Funds

NEVADA

June 30, 2009

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 546,814	$ -	$ 4,914,669	$ 109,949,654
Cash in custody of other officials	423,235,146	6,881,214	4,209,944	79,594,184
Investments:				
Investments	21,139,856	1,039,754,017	4,564,095,157	154,842,201
Fixed income securities	5,545,761,044	-	-	-
Marketable equity securities	7,709,766,670	-	-	-
International securities	3,950,469,133	-	-	-
Mortgage loans	6,696	-	-	-
Real estate	907,413,470	-	-	-
Alternative investments	466,149,311	-	-	-
Collateral on loaned securities	1,760,287,271	-	-	-
Receivables:				
Accrued interest and dividends	86,963,472	3,725,818	542,091	-
Taxes receivable	-	-	-	10,444,666
Trades pending settlement	141,747,235	95,312	746,914	-
Intergovernmental receivables	85,027,607	-	56,527	215,958
Contributions receivable	-	-	4,979,083	-
Other receivables	-	-	-	35,834,794
Due from other funds	837,615	-	175,781	349,995,076
Due from fiduciary funds	17,407,597	-	-	11,583,316
Due from component unit	1,031,255	-	-	-
Other assets	1,962,283	-	-	-
Furniture and equipment	34,031,521	-	-	-
Accumulated depreciation	(29,135,098)	-	-	-
Total assets	21,124,648,898	1,050,456,361	4,579,720,166	752,459,849
Liabilities				
Accounts payable and accruals:				
Accounts payable	13,404,590	147,776	1,478,593	-
Accrued payroll and related liabilities	-	-	-	7,250
Intergovernmental payables	-	11,243	8,069	428,818,801
Redemptions payable	-	-	1,422,920	-
Trades pending settlement	429,533,891	6,629,423	2,772,154	-
Bank overdraft	-	-	580,000	-
Obligations under securities lending	1,847,667,862	-	-	-
Due to other funds	22,841	400,668	613,568	-
Due to fiduciary funds	-	-	14,044	28,976,869
Other liabilities:				
Deposits	-	-	-	288,069,795
Other liabilities	231,466	-	-	6,587,134
Total liabilities	2,290,860,650	7,189,110	6,889,348	752,459,849
Net Assets				
Held in trust for:				
Employees' pension benefits	18,810,252,294	-	-	-
OPEB benefits	23,535,954	-	-	-
Pool participants	-	1,043,267,251	-	-
Individuals	-	-	4,572,830,818	-
Total net assets	$ 18,833,788,248	$ 1,043,267,251	$ 4,572,830,818	$ -

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

NEVADA

For the Fiscal Year Ended June 30, 2009

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
Additions			
Contributions:			
Employer	$ 1,254,116,898	$ -	$ -
Plan members	93,678,604	-	-
Participants	-	-	1,418,555,203
Repayment and purchase of service	28,116,522	-	-
Total contributions	1,375,912,024	-	1,418,555,203
Investment income:			
Net increase (decrease) in fair value of investments	(4,187,788,436)	1,885,883	(922,670,663)
Interest, dividends	582,745,052	28,056,739	127,177,217
Securities lending income	43,686,340	-	-
Other	54,285,040	-	-
	(3,507,072,004)	29,942,622	(795,493,446)
Less investment expense:			
Cost of securities lending	(24,420,539)	-	-
Other	(24,069,799)	(6,349)	-
Net investment income	(3,555,562,342)	29,936,273	(795,493,446)
Other:			
Investment from local governments	-	1,021,931,979	-
Reinvestment from interest income	-	12,169,345	-
Other	2,505,070	934	-
Total other	2,505,070	1,034,102,258	-
Total additions	(2,177,145,248)	1,064,038,531	623,061,757
Deductions			
Principal redeemed	-	1,211,919,911	753,090,904
Benefit payments	1,222,759,755	-	20,145,162
Refunds	18,585,067	-	-
Contribution distributions	3,791,831	-	-
Dividends to investors	-	12,625,094	-
Administrative expense	9,860,477	657,232	18,541,727
Total deductions	1,254,997,130	1,225,202,237	791,777,793
Change in net assets	(3,432,142,378)	(161,163,706)	(168,716,036)
Net assets, July 1	22,265,930,626	1,204,430,957	4,741,546,854
Net assets, June 30	$ 18,833,788,248	$ 1,043,267,251	$ 4,572,830,818

The notes to the financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As required by GAAP, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the primary government. Component units are legally separate governmental organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

Financial accountability is defined in GASB Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units.* The State is financially accountable for those entities in which the State appoints a voting majority of an organization's governing authority, and either is able to impose its will upon the entity or there exists a financial benefit or burden relationship with the State. For those entities in which the State does not appoint a voting majority of the governing authority, GASB Statement No. 14 requires inclusion in the reporting entity if they are fiscally dependent on the State or if it would be misleading to exclude the entity.

Blended Component Units: The following blended component units are entities that are legally separate from the State. However, since the State Legislature retains certain significant governing powers over these entities, they are reported as if they are part of the primary government under the provisions of GASB Statement No. 14.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established by the Nevada Legislature in 1947 to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. JRS is the administrator of an agent multiple-employer public employees' defined benefit retirement system established by the Nevada Legislature to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

The *Retirement Benefits Investment Fund* (RBIF) was created by NRS 355.220 (2) for the sole purpose of providing an investment vehicle for monies belonging to either the State or local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members of the Public Employees' Retirement Board.

Nevada Real Property Corporation is a legally separate entity whose board of directors are exclusively State employees or officials. It was incorporated to finance certain construction projects. Such projects include office buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of construction, the Corporation leases the facilities to the State. The State reports these financial transactions as part of the primary government using the blended method.

Discretely Presented Component Units: Per the provisions of GASB Statement No. 14, a component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, and the component unit does not provide services entirely or almost entirely to the primary government. The following discretely presented component units are reported in separate columns in the basic financial statements to emphasize they are legally separate from the State.

The *Nevada System of Higher Education* (NSHE) is governed by a Board of Regents elected by the voters. However, NSHE is fiscally dependent upon the State because of appropriations from the State Legislature, the Legislative approval of the budget for those appropriations, the levying of taxes, if necessary, and the issuance of debt to support NSHE. Because NSHE has a separate governing body and does not provide services entirely or almost entirely to the primary government, it is presented discretely in the financial statements.

The *Colorado River Commission* (CRC) is a legally separate entity responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, a majority of whom are appointed by the State: four are appointed by the Governor and three appointed by the board of directors of the Southern Nevada Water Authority. Bonds issued by the CRC are backed by the full faith and credit of the State of Nevada, which creates the potential for a financial burden to the State. CRC provides services to citizens through the distribution and sale of electric power. As CRC has a separate governing body and does not provide services entirely or almost entirely to the primary government, it is presented discretely in the financial statements.

Complete financial statements for each of the individual component units, with the exception of the *Nevada Real Property Corporation*, which has no other financial activity than that described above, may be obtained at that entity's administrative offices:

- *Public Employees' Retirement System*
  Carson City, NV
- *Retirement Benefits Investment Fund*
  Carson City, NV
- *Legislators' Retirement System*
  Carson City, NV
- *Judicial Retirement System*
  Carson City, NV
- *Nevada System of Higher Education*
  Reno, NV
- *Colorado River Commission*
  Las Vegas, NV

Related Organizations: The Governor is responsible for appointing the members of many occupational licensing boards. The State's accountability for these boards does not extend beyond making the appointments and thus these boards are excluded from this report. The State does not exercise financial or administrative control over the excluded occupational licensing boards.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements: The Statement of Net Assets and the Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund receivables and payables between governmental funds and enterprise funds are reported as internal balances in the government-wide statement of net assets. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Assets* presents the reporting entity's non-fiduciary assets and liabilities with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Additional disclosure related to the amount of net assets restricted by enabling legislation is provided in Note 11.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management but can be removed or modified.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues. In general, internal activity has been eliminated from the Statement of Activities. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements with non-major funds being combined into a single column.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting: The government-wide statements are reported using the economic

(Note 1 Continued)

resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

GASB Statement No. 20 requires business-type activities and enterprise funds to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements, all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989. As permitted by the Statement, the State has elected not to apply FASB pronouncements issued after that date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal, ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter. The State considers revenues as available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 12, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures generally are recorded when the related fund liability is incurred. However, expenditures for principal and interest on long-term debt are recorded as fund liabilities only when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Inventories and prepaids are reported using the consumption method.

The State reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the governmental funds balance sheet and revenue is recognized.

Restricted revenues are those monies that are legally segregated for specific purposes. For example, a portion of a particular property tax levy may be legally pledged to support debt service. The general policy of the State is to expend unrestricted revenues first in a fund, followed by restricted revenues. However, there are exceptions to this policy in the Consolidated Bond Interest and Redemption fund and all the Capital Projects funds.

Financial Statement Presentation: The State reports the following major governmental funds:

The *General Fund* is the State's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The *State Highway Fund* accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges.

The *Municipal Bond Bank Fund* accounts for revenues and expenditures associated with buying local governments' bonds with proceeds of State general obligation bonds.

The *Consolidated Bond Interest and Redemption Fund* accumulates monies for the payment of leases and of principal and interest on general obligation bonds of the State.

The *Stabilize the Operations of State Government Fund*, commonly referred to as the "Rainy Day Fund", accounts for funds appropriated by the Legislature to be expended only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or the Legislature and Governor declare that a fiscal emergency exists.

The State reports the following major enterprise funds:

The *Housing Division Fund* accounts for the State program to assist private lenders in providing low interest housing loans to low- and moderate-income households. This program is financed through the sale of bonds.

The *Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits.

The *Water Projects Loans Fund* accounts for revenues and expenses associated with operating a revolving fund to finance local government pollution control projects, and with operating revolving and set-aside program funds to finance local public water systems' safe drinking water projects.

(Note 1 Continued)

Additionally, the State reports the following fund types:

Proprietary Fund Types:
Enterprise Funds - report the activities for which fees are charged to external users for goods or services such as workers' compensation, insurance, prison industry and higher education tuition trust.

Internal Service Funds - provide goods or services primarily to other agencies or funds of the State rather than to the general public. These goods and services include communications, purchasing, printing and motor pool. In the government-wide statements, internal service funds are included with governmental activities.

Fiduciary Fund Types:
Pension and Other Employee Benefit Trust Funds - report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans and other post-employment benefit plans.

Investment Trust Funds - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local Government Investment Pool, the Nevada Enhanced Savings Term and the Retirement Benefits Investment Fund.

Private Purpose Trust Funds - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Prisoners' Personal Property and the Nevada College Savings Plan.

Agency Funds - report assets and liabilities for deposits and investments entrusted to the State as an agent for others. Examples of funds in this category include motor vehicle, veterans' custodial and child welfare.

D. Assets, Liabilities and Net Assets/Fund Balance

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Assets and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments in petty cash funds and in bank accounts outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

Cash and cash equivalents are defined as bank accounts, petty cash, money market demand accounts and certificates of deposit with original maturities of three months or less. Cash and cash equivalents are reported in the Statement of Cash Flows for proprietary fund types.

Investments - Investments are stated at fair value. Fair value is defined as the price at which an asset passes from a willing seller to a willing buyer. It is assumed that both buyer and seller are rational and have a reasonable knowledge of relevant facts. Short-term investments are generally reported at cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price of the day. International securities prices incorporate end-of-day exchange rates. The fair value of real estate investments is based on estimated current value, and MAI (Member Appraisal Institute) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are investment trust funds as defined in Governmental Accounting Standards Board Statement No. 31. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitation of section 355.170 of Nevada Revised Statutes. The investments of the Retirement Benefits Investment Fund are governed by the prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. Wells Fargo Trust Operations is the custodian and transfer agent for both the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust funds. The Bank of New York Mellon is the custodian and transfer agent for the Retirement Benefits Investment Fund.

Derivative securities are priced and accounted for at fair value. For exchange-traded securities, such as futures and options, closing prices from the securities exchanges are used. For fixed income derivatives, such as collateralized mortgage obligations (CMO), mortgage backed securities, and asset backed securities, commercial pricing services (where available) or bid-side prices from a broker/dealer are used. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offset in the forward markets. Investments are discussed further in Note 3.

Receivables - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts.

(Note 1 Continued)

Property taxes are levied July 1 on property values assessed by the prior January 1. Property tax billings are payable in quarterly installments on the third Monday in August and the first Monday in October, January and March, after which time the bill is delinquent.

Significant receivable balances not expected to be collected within one year are presented in Note 4.

Interfund Transactions - The State has two types of interfund transactions:

1. Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.
2. Operating appropriations and subsidies are accounted for as transfers in the funds involved.

Transfers and due from/due to other funds are presented in Note 5.

Inventories - Inventories are stated at cost on the first-in, first-out basis. Inventory in the State Highway Fund, a special revenue fund, consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Inventory items in the funds are offset by a fund balance reserve to indicate that they are unavailable for appropriation.

Prepaid Expenses – Prepaid expenses reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. Prepaid items in the funds are offset by a fund balance reserve to indicate that they are unavailable for appropriation.

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable and as a reservation of fund balance to maintain the accountability and to disclose properly the amount available for appropriation (unreserved fund balance). Repayments are credited to the receivable and corresponding reductions are made in the reserve. A summary of interfund advances is presented in Note 5.

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Assets at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at appraised fair value at the time of donation or estimated fair value at time of donation, based on acquisition of comparable property, if appraised fair value is not available. The government defines capital assets as assets with a unit cost of $5,000 or more for furniture and equipment, or $100,000 or more for buildings and improvements, and an estimated useful life in excess of one year. Interest incurred during construction is only capitalized in proprietary funds.

Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. The State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report.

In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment.

Additional disclosure related to capital assets is provided in Note 7.

Compensated Absences - Compensated absences are accounted for in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability for compensated absences relating to services already rendered and that are not contingent on a specified event be accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report compensated absences expected to be liquidated with expendable available financial resources as an expenditure and a fund liability in the fund financial statements. On the Statement of Net Assets, the total accrued compensated absences for both proprietary and governmental fund types is reported.

Deferred Revenues - Deferred revenues in the General Fund consist primarily of refundable gaming taxes and fees and nonexchange transactions for which the revenue is measurable but not available. Deferred revenue in the debt service funds consists primarily of amounts due from other governments to retire long-term debt.

Long-Term Obligations - In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issu-

(Note 1 Continued)

ance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 8.

Net Assets/Fund Balance - The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary and fiduciary fund statements, and "Fund Balance" on governmental fund statements.

Fund Balance Reservations and Designations – In the fund financial statements, governmental funds classify fund balances as either reserved or unreserved. Reserved fund balances are those amounts that are not available for appropriation or are legally restricted by outside parties for a specific use. Unreserved fund balances reflect the balances available for appropriation for the general purposes of the fund. Management may designate a portion of the unreserved fund balance for a specific purpose, but designations are tentative management plans that are subject to change.

The nature of reserved and designated fund balances is explained below:

"Encumbrances and contracts" indicates assets required to meet future payment obligations.

"Inventory" indicates consumable supplies held in stock by governmental fund types.

"Advances" indicates assets, which have been advanced to other funds on a long-term basis.

"Funds held as permanent investments" indicates assets permanently invested for the purpose of the fund.

"Fiscal emergency" indicates assets restricted for use in a State fiscal emergency as declared by the Legislature and the Governor.

"Debt service" indicates assets reserved for the retirement of long-term obligations.

"Other" generally indicates assets that, because of their nature, are unavailable for expenditures.

"Balances forward" indicates unexpended funds brought forward to the next year, which are designated for general government; health and social services; education and support services; law, justice and public safety; regulation of business; transportation or recreation and resource development purposes.

Note 11 provides a disaggregation of governmental fund balances, reserved for other, and governmental fund balances, unreserved, designated.

E. Intergovernmental Assistance Programs

The State participates in various federal award programs. Federal awards are received by the State in both cash and noncash forms. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized (as they become susceptible to accrual [measureable and available] under the modified accrual basis of accounting.) The State considers revenues as available if they are collected within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Note 2 - Budgetary and Legal Compliance

Budgetary Process and Control

The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The presented budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

The legal level of budgetary control, the level at which appropriations are approved and the level at which over expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of $20,000 which have the affect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or $50,000, whichever is less. Revisions not exceeding this threshold require only budget director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Fund, a Special Reve-

(Note 2 Continued)

nue Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling $2,251,682 were made in the 2009 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State's budget is prepared principally on a modified accrual basis with the following exceptions:

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain prepaid/deferred assets are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain deferred revenue is considered revenue for budgetary purposes.
4. Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.
5. Revenue from grants is only recognized when it is received in cash.
6. Encumbrances for goods or services not received by fiscal year end are considered an expenditure of the current period if received and paid within 45 days.

The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.

Note 3 - Deposits and Investments

The Nevada Revised Statutes and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units. The Office of the State Treasurer is responsible for oversight of the deposits and investments for the State of Nevada.

A. Deposits

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - the State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The Nevada Revised Statutes direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2009, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled $308,990,308, of which $3,155,125 was uncollateralized and uninsured.

Component Units - at June 30, 2009, the bank balance of the component units totaled $91,638,000 of which $16,349,000 was uncollateralized and uninsured.

B. Investments

Nevada Revised Statute (NRS) 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements. The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed at Note 1 under Assets, Liabilities and Net Assets/Fund Balance.

The State Board of Finance reviews the State's investment policies at least every four months. The Board is comprised of the Governor, the State Controller, the State Treasurer and two members appointed by the governor, one of which must be actively engaged in commercial banking in the State.

Investments held in the Local Government Investment Pool (LGIP), Retirement Benefits Investment Fund (RBIF), and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further under Note 1, Assets, Liabilities and Net Assets/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada

State Treasurer. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administrated by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State does not have a written interest rate risk policy. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Capital Aggregate Index benchmark. If securities are purchased outside the Barclays Capital Aggregate Index, they must be of investment grade rating by at least two of Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's). The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2009 (expressed in thousands):

		Maturities in Years			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	$ 4,676,581	$ 950,839	$ 988,659	$ 563,425	$ 2,173,658
U. S. agencies	2,250,517	1,393,175	489,265	27,643	340,434
Mutual funds	13,763	13,763	-	-	-
Repurchase agreements	59,064	59,064	-	-	-
Asset backed corporate securities	123,964	1,192	58,305	18,600	45,867
Corporate bonds and notes	1,368,441	37,778	485,469	490,980	354,214
Fixed income securities	176,330	103,430	900	200	71,800
International investments	1,028,101	14,843	454,471	283,082	275,705
Municipal bonds	591,694	-	13,541	20,099	558,054
Investment agreements	14,047	-	-	-	14,047
Other short-term investments	312,692	312,692	-	-	-
Collateralized mortgage obligations	335,688	2,270	12,611	44,278	276,529
Total	$ 10,950,882	$ 2,889,046	$ 2,503,221	$ 1,448,307	$ 4,110,308

Private Purpose Trust - Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. Investments having interest rate risk are all invested in mutual funds with various maturities from 13 days to 9.1 years and are not included in the table above.

Component Units – The Nevada System of Higher Education's (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2009 (expressed in thousands):

Less than 1 year	$ 481,014
1 to 5 years	44,084
6 to 10 years	14,861
More than 10 years	17,528

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State of Nevada.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - NRS 355.140, the State Treasurer's investment policy, and investment policies of the pension and other employee benefit trust and investment trust funds all address credit risk. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Bankers' Acceptances are rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. are rated by a nationally recognized rating service as "A" or its equivalent, or better,
- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as "AAA" or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as "AAA" or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

(Note 3 Continued)

In addition to the above provisions, investment policies for the pension and other employee benefit trust funds allow investment in corporate bonds, assets-related instruments, and foreign debt issued in the U.S. rated by at least two of the following: Moody's, Standard &Poor's, or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's). Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to credit risk for the investments. Investments having credit risk are all invested in unrated mutual funds that are included in the table below.

The State's investments as of June 30, 2009 were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard and Poor's rating scale (expressed in thousands):

		Quality Rating							
	Fair Value	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**Unrated**
U.S. agencies	$ 2,211,379	$ 1,320,166	$ -	$ 891,213	$ -	$ -	$ -	$ -	$ -
Mutual funds	4,577,661	13,490	-	-	-	-	-	-	4,564,171
Asset backed corporate securities	105,164	91,746	3,500	6,300	3,618	-	-	-	-
Corporate bonds and notes	1,365,179	54,687	167,956	648,442	467,900	18,000	4,500	-	3,694
Fixed income securities	158,749	25,200	-	-	-	-	-	-	133,549
International investments	1,017,301	365,542	428,276	164,439	30,700	-	-	-	28,344
Municipal bonds	591,693	239	591,263	191	-	-	-	-	-
Investment agreements	14,047	671	1,620	10,941	-	619	-	196	-
Other short-term investments	476,507	154,308	-	-	-	-	14,000	-	308,199
Collateralized mortgage obligations	266,885	220,816	5,169	5,600	6,700	1,400	3,700	2,700	20,800
Total	$ 10,784,565	$ 2,246,865	$ 1,197,784	$1,727,126	$ 508,918	$ 20,019	$ 22,200	$2,896	$ 5,058,757

As of June 30, 2009, the State of Nevada held equity and debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The ultimate value of the State's debt securities will not be known until the bankruptcy proceedings are completed. However, equity and debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market, and the loss recognized.

Component Unit - the Nevada System of Higher Education's (NSHE) policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2009 is as follows (expressed in thousands):

	Fair Value	**Unrated**
Mutual funds publicly traded	$ 197,003	$ 197,003
Partnerships	151,991	151,991
Stocks	11,506	11,506
Endowment cash/cash equivalents	277	277
Private commingled funds	196,710	196,710
Total	$ 557,487	$ 557,487

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio, with the exception of the Housing Division and the Investment Trust Funds. At June 30, 2009, the following investments exceeded 5% of the Primary Government and Investment Trust Funds' total investments (expressed in thousands):

	Fair Value	**Percentage**
Primary government		
Federal Farm Credit Bank	$ 529,649	15.85%
Federal Home Loan Bank	927,138	27.75%
So. Nevada Water Authority	242,650	7.26%
United States Agencies	334,816	10.02%
United States Treasury Bills	421,882	12.63%
Investment Trust Funds		
Federal Farm Credit Bank	107,436	10.32%
Federal National Mortgage Assoc.	74,268	7.14%
Federal Home Loan Bank	243,872	23.43%
Federal Home Loan Mortgage Corp	70,351	6.76%
Repurchase Agreement	59,064	5.68%
United States Treasury Bills	324,765	31.21%
United States Treasury Notes	71,799	6.90%

(Note 3 Continued)

At June 30, 2009, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Mortgage Corporation	$ 7,254	8.36%
Federal National Mortgage Association	9,116	10.51%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative providers. As of June 30, 2009, the Housing Division's investments in Fannie Mae and Ginnie Mae are 23.01% and 39.85% respectively, of Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Division is less concerned about a concentration risk on these investments.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds - the primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The Public Employees' Retirement System of Nevada, the Legislators' Retirement System of Nevada, the Judicial Retirement System of Nevada, and the Retirement Benefits Investment Fund do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. The following table summarizes the pension and other employee benefit trust funds and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2009 (expressed in thousands):

	Currency by Investment and Fair Value			
	Fixed Income	Equity	Derivatives	Cash
Australian Dollar	$ 3,412	$ 219,700	$ 1,001	$ 1,109
British Pound Sterling	71,314	615,700	(210)	4,304
Canadian Dollar	18,767	-	(100)	1,520
Danish Krone	7,028	26,200	(100)	303
Euro Currency	439,990	987,000	5,225	(7,392)
Hong Kong Dollar	-	76,800	-	400
Japanese Yen	350,592	728,600	(2,901)	2,507
Malaysian Ringgit	2,114	-	-	201
New Zealand Dollar	-	2,700	-	100
Norwegian Krone	1,209	22,800	-	201
Polish Zloty	6,924	-	101	305
Singapore Dollar	1,412	40,200	(100)	903
Swedish Krona	5,419	71,800	(900)	1,504
Swiss Franc	3,120	220,700	700	(596)
Total	$ 911,301	$ 3,012,200	$ 2,716	$ 5,369

Component Unit - the Nevada System of Higher Education does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has $63,669,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2009.

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to participate in securities lending transactions where the State's U.S. Government and agency securities are loaned to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The State's securities lending agent administers the securities lending program and receives cash or other securities equal to at least 102% of the fair value of the loaned securities plus accrued interest as collateral for securities of the type on loan at year-end. The collateral for the loans is maintained at 102%, and the value of the securities borrowed must be determined on a daily basis.

At year-end, the State has no credit risk exposure to borrowers because the amount the State owes to borrowers exceeds the amounts the borrowers owe to the State. The collateral securities cannot be pledged or sold by the State unless the borrower defaults. The contract with the securities lending agent requires the agent to indemnify the State for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

There are no restrictions on the amount of securities that can be loaned. Either the State or the borrower can terminate all open securities loans on demand. Either the State or the borrower can terminate all term securities loans with five days notice. Cash collateral is invested in accordance with the investment guidelines approved by the Board of Finance. The maturities of the investments made with cash collateral generally match the maturities of the securities loans.

There are no securities on loan at June 30, 2009 (excluding PERS).

Public Employees' Retirement System (PERS) – The system also maintains a securities lending program under the authority of the "prudent person" standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income and equity securities, and international fixed income and equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received must equal at least 102% of the market value of the underlying security, plus accrued interest.

At year-end, PERS has no credit risk exposure to borrowers because the amount PERS owes to borrowers exceeds the amounts the borrowers owe to PERS. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The contract with the securities lending agent requires the agent to indemnify PERS for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. The securities lending agent is authorized to invest collateral only in high quality, short-term investment vehicles in accordance with PERS' Investment Objectives and Policies. The maturities of the investments made with cash collateral generally match the maturities of the securities loaned.

The fair value of underlying securities on loan at June 30, 2009 is $1,775,168,823. Cash collateral received in securities lending arrangements is reported on the Statement of Fiduciary Net Assets as an asset with a related liability. At June 30, 2009, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

D. Derivatives

Public Employees' Retirement System (PERS) - derivatives are instruments (securities or contracts) whose value is dependent on such things as stock or bond prices, interest rate levels or currency exchange rates, and are reported at fair value. The Retirement Board adopted a formal written policy on the use of derivatives. The types of derivatives and limits on their use are defined in PERS Investment Objectives and Policies. PERS Investment Objectives and Policies restrict the use of certain types of derivatives. The use of exotic, highly structured notes such as inverse floaters, constant maturity treasury (CMT) floaters, range floaters, dual index floaters, and other speculative instruments tied to inappropriate reset provisions is specifically prohibited. PERS derivatives transactions are designed to reduce transaction costs, reduce foreign exchange risk, and manage market risks associated with the underlying securities. They may also reduce PERS exposure to changes in stock prices, interest rates, and currency exchange rates.

The principal categories of derivatives employed and their uses during the year were as follows:

Foreign exchange forward contracts – used to hedge currency risk of investments in foreign currencies.

Exchange traded index futures - used to equitize cash.

Mortgage backed and asset backed securities – used to provide diversification and enhance return (components of the Barclays Capital Aggregate Index).

Generally, derivatives are subject to market risk and counterparty risk. The derivatives utilized by PERS typically have no greater market risk than their physical counterparts, and in many cases are offset by exposures elsewhere in the portfolio. Counterparty risk, the risk that the "other party" to a contract will default, is managed by utilization of exchange traded futures and options where practical (in which case the futures exchange is the counterparty and guarantees performance) and by careful screening of counterparties where use of exchange traded products is impractical or uneconomical.

Derivative securities are priced and accounted for at fair value. For exchange-traded securities such as futures and options, closing prices from the securities exchanges are used. For fixed income derivatives such as collateralized mortgage obligations (CMO), mortgage backed securities, and asset backed securities, commercial pricing services (where available) or bid-side prices from a broker/dealer are used. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offset in the forward markets.

Management believes that it is unlikely that any of the derivatives in PERS portfolio could have a material adverse effect on the financial condition of PERS. In addition, the credit, market, or legal risks are not above and beyond those risks apparent by the nature of the type of investment for any of the securities contained within the portfolio.

Note 4 - Receivables

Receivable balances are disaggregated by type and presented separately in the financial statements. Significant receivable balances not expected to be collected within one year and not already classified in the fund financials are presented below (expressed in thousands):

	Governmental Funds	Nevada System of Higher Education
As shown on financial statements:		
Intergovernmental receivables	$ 432,919	$ 36,664
Notes/loans receivable	517	11,864
Due from Component Unit	6,379	-
Total	$ 439,815	$ 48,528
Classified:		
Current portion	$ 300,111	$ 38,734
Noncurrent portion:		
Intergovernmental receivables	133,492	-
Notes/loans receivable	437	9,794
Due from Component Unit	5,775	-
Total noncurrent portion	139,704	9,794
Total	$ 439,815	$ 48,528

Not included in the receivable balances are amounts considered to be uncollectible. $41.2 million of taxes receivable in the governmental funds are estimated to be uncollectible. Uncollectible accounts receivable in the governmental funds total $38.2 million. The proprietary funds have $28.2 million in uncollectible accounts receivable of which $16.8 million are from uninsured employer's fines and penalties, and $11.1 million are from unemployment contributions and benefit overpayments.

Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2009, follows (expressed in thousands):

	Advances From		
	Major Funds		
	General	Consolidated Bond Interest and Redemption	Total
Advances To			
Nonmajor enterprise	$ 403	$ -	$ 403
Internal service	3,050	1,657	4,707
Total other funds	$ 3,453	$ 1,657	$ 5,110

Interfund advances are the portions of interfund balances that are *not* expected to be repaid within one year. The interfund balances that are expected to be repaid within one year are shown in the Due From/Due To summary below.

Advances are generally made to finance capital expenditures or as a loan for operating purposes.

B. Due From/Due To Other Funds and Component Units

A summary of due from and due to other funds and component units at June 30, 2009, is shown below (expressed in thousands):

	Due To						
	Major Governmental Funds						
Due From	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Stabilize the Operations of State Gov't	Nonmajor Governmental	Total Governmental
Major Governmental Funds:							
General	$ -	$ 9,421	$ 13	$ 1,368	$ 177	$ 24,687	$ 35,666
State Highway	3,486	-	-	-	-	41	3,527
Municipal Bond Bank	38	-	-	406	-	-	444
Consolidated Bond Interest and Redemption	2,169	2,357	-	-	-	-	4,526
Nonmajor governmental	37,353	387	-	5,137	-	5,367	48,244
Total Governmental	43,046	12,165	13	6,911	177	30,095	92,407
Major Enterprise Funds:							
Housing Division	-	-	-	-	-	-	-
Unemployment Comp	-	-	-	-	-	147	147
Water Projects Loans	550	-	-	-	-	-	550
Nonmajor enterprise	2,597	4	-	-	-	1	2,602
Total Enterprise	3,147	4	-	-	-	148	3,299
Internal Service	2,250	62	-	151	-	124	2,587
Total other funds	$ 48,443	$ 12,231	$ 13	$ 7,062	$ 177	$ 30,367	$ 98,293
Fiduciary	$ 525	$ -	$ -	$ -	$ -	$ 480	$ 1,005
Component Units:							
Nevada System of Higher Education	$ 148	$ -	$ -	$ 6,175	$ -	$ 55	$ 6,378
Colorado River Commission	-	-	-	-	-	-	-
Total Component Units	$ 148	$ -	$ -	$ 6,175	$ -	$ 55	$ 6,378

	Due To						
	Major Enterprise Funds						
Due From	Housing Division	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Major Governmental Funds:							
General	$ 150	$ 537	$ 1,909	$ 2,596	$ 3,660	$ 41,922	$ 348,547
State Highway	-	-	7	7	2,825	6,359	1,476
Municipal Bond Bank	-	-	-	-	-	444	-
Consolidated Bond Interest and Redemption	-	-	-	-	-	4,526	-
Nonmajor governmental	-	-	9	9	428	48,681	198
Total Governmental	150	537	1,925	2,612	6,913	101,932	350,221
Major Enterprise Funds:							
Housing Division	-	-	-	-	3	3	-
Unemployment Comp	-	-	-	-	-	147	-
Water Projects Loans	-	-	-	-	-	550	-
Nonmajor enterprise	-	-	-	-	57	2,659	56
Total Enterprise	-	-	-	-	60	3,359	56
Internal Service	-	-	9	9	313	2,909	731
Total other funds	$ 150	$ 537	$ 1,934	$ 2,621	$ 7,286	$ 108,200	$ 351,008
Fiduciary	$ -	$ -	$ 9	$ 9	$ 23	$ 1,037	$ 28,991
Component Units:							
Nevada System of Higher Education	$ -	$ -	$ 1	$ 1	$ 1,159	$ 7,538	$ 1,031
Colorado River Commission	-	-	-	-	2	2	-
Total Component Units	$ -	$ -	$ 1	$ 1	$ 1,161	$ 7,540	$ 1,031

(Note 5 Continued)

	Due To		
	Component Units		
	Nevada System of Higher Education	Colorado River Commission	Total Component Units
Due From			
Major Governmental Funds:			
General	$ 9,753	$ 122	$ 9,875
State Highway	323	-	323
Nonmajor governmental	100,700	-	100,700
Total Governmental	110,776	122	110,898
Nonmajor enterprise	65	-	65
Internal Service	22	1	23
Total other funds	$ 110,863	$ 123	$ 110,986

The balances result from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made.

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2009, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Stabilize the Operations of State Gov't	Nonmajor Governmental	Total Governmental
Transfers In/From						
Major Governmental Funds:						
General	$ -	$ 16,672	$ 38	$ 76,500	$ 220,164	$ 313,374
State Highway	16,195	-	-	-	1,094	17,289
Consolidated Bond Interest and Redemption	1,522	-	30,622	-	11,758	43,902
Stabilize the Operations of State Government	310	-	-	-	-	310
Nonmajor governmental	69,062	3,057	-	-	2,382	74,501
Total Governmental	87,089	19,729	30,660	76,500	235,398	449,376
Nonmajor enterprise	1,853	-	-	-	161	2,014
Internal Service	222	2,000	-	-	82	2,304
Total other funds	$ 89,164	$ 21,729	$ 30,660	$ 76,500	$ 235,641	$ 453,694

(Note 5 Continued)

	Transfers Out/To					
	Major Enterprise Fund					
	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
Transfers In/From						
Major Governmental Funds:						
General	$ -	$ 1,535	$ 22,875	$ 24,410	$ -	$ 337,784
State Highway	-	-	-	-	-	17,289
Consolidated Bond Interest and Redemption	-	-	-	-	-	43,902
Stabilize the Operations of State Government	-	-	-	-	-	310
Nonmajor governmental	1,515	-	-	1,515	100	76,116
Total Governmental	1,515	1,535	22,875	25,925	100	475,401
Nonmajor enterprise	-	-	-	-	-	2,014
Internal Service	-	-	-	-	-	2,304
Total other funds	$ 1,515	$ 1,535	$ 22,875	$ 25,925	$ 100	$ 479,719

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, and to move monies collected for debt service purposes to the debt service fund required to make the payment. An exception was a transfer to the General Fund of $72 million from the Stabilize the Operations of State Government ("Rainy Day") fund, $4 million from the Disaster Relief fund and $0.5 million from the Emergency Assistance Subaccount. The Nevada Legislature approved this transfer during the 24th Special Session (2008) to offset a projected deficit in the General Fund.

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of $592.7 million are reported as education and support service expenses in the Statement of Activities and as intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.

Note 6 - Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Assets. The components of restricted assets at June 30, 2009 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
Restricted:			
Cash	$ -	$ -	$ 20,554
Investments	142,539	142,539	-
Total	$ 142,539	$ 142,539	$ 20,554
Restricted for:			
Debt service	$ 142,539	$ 142,539	$ 3,092
Construction	-	-	11,536
Other purposes	-	-	5,926
Total	$ 142,539	$ 142,539	$ 20,554

Note 7- Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2009, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 129,403	$ 8,321	$ (624)	$ 137,100
Construction in progress	240,657	198,952	(170,462)	269,147
Infrastructure	3,119,560	5,999	-	3,125,559
Rights-of-way	512,358	10,241	(113)	522,486
Total capital assets, not being depreciated	4,001,978	223,513	(171,199)	4,054,292
Capital assets, being depreciated/amortized				
Buildings	1,185,227	140,141	-	1,325,368
Improvements other than buildings	105,328	8,290	-	113,618
Furniture and equipment	372,791	26,838	(24,501)	375,128
Software costs	149,446	2,815	(698)	151,563
Total capital assets, being depreciated/amortized	1,812,792	178,084	(25,199)	1,965,677
Less accumulated depreciation/amortization for:				
Buildings	(336,575)	(29,529)	-	(366,104)
Improvements other than buildings	(55,101)	(4,435)	-	(59,536)
Furniture and equipment	(255,095)	(31,109)	22,184	(264,020)
Software costs	(109,371)	(23,525)	695	(132,201)
Total accumulated depreciation/amortization	(756,142)	(88,598)	22,879	(821,861)
Total capital assets, being depreciated/amortized, net	1,056,650	89,486	(2,320)	1,143,816
Governmental activities capital assets, net	$ 5,058,628	$ 312,999	$ (173,519)	$ 5,198,108
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 568	$ -	$ -	$ 568
Construction in progress	4,771	2,916	-	7,687
Total capital assets, not being depreciated	5,339	2,916	-	8,255
Capital assets, being depreciated				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	5,424	189	(210)	5,403
Total capital assets, being depreciated	9,444	189	(210)	9,423
Less accumulated depreciation for:				
Buildings	(2,159)	(103)	(50)	(2,312)
Improvements other than buildings	(592)	(9)	50	(551)
Furniture and equipment	(4,333)	(331)	209	(4,455)
Total accumulated depreciation	(7,084)	(443)	209	(7,318)
Total capital assets, being depreciated, net	2,360	(254)	(1)	2,105
Business-type activities capital assets, net	$ 7,699	$ 2,662	$ (1)	$ 10,360

(Note 7 Continued)

Current period depreciation and amortization expense was charged to functions of the primary government as follows (expressed in thousands):

Governmental activities:		
General government	$	19,953
Education, support services		2,560
Health, social services		9,818
Law, justice, public safety		26,318
Recreation, resource development		6,577
Transportation		13,767
Regulation of business		1,446
Unallocated		976
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets		7,183
Total depreciation/amortization expense - governmental activities	$	88,598
Business-type activities:		
Enterprise	$	443
Total depreciation expense - business-type activities	$	443

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2009, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Capital assets, not being depreciated				
Construction in progress	$ 383,603	$ 128,356	$ (385,101)	$ 126,858
Land	65,407	16,414	-	81,821
Collections	9,778	148	(229)	9,697
Total capital assets, not being depreciated	458,788	144,918	(385,330)	218,376
Capital assets, being depreciated				
Buildings	1,638,629	412,226	(1,015)	2,049,840
Land and improvements	89,011	12,932	(1,295)	100,648
Machinery and equipment	293,640	24,113	(16,541)	301,212
Library books and media	108,149	5,876	(907)	113,118
Total capital assets, being depreciated	2,129,429	455,147	(19,758)	2,564,818
Less accumulated depreciation for:				
Buildings	(452,692)	(47,889)	6,350	(494,231)
Land and improvements	(67,299)	(8,986)	1,105	(75,180)
Machinery and equipment	(184,710)	(28,486)	13,926	(199,270)
Library books and media	(93,240)	(6,716)	855	(99,101)
Total accumulated depreciation	(797,941)	(92,077)	22,236	(867,782)
Total capital assets, being depreciated, net	1,331,488	363,070	2,478	1,697,036
Nevada System of Higher Education activity capital assets, net	$ 1,790,276	$ 507,988	$ (382,852)	$ 1,915,412

Note 8 - Long-Term Obligations

A. Bonds Payable

The State issues general obligation bonds for the acquisition and construction of major capital facilities; buying local governments' bonds in the municipal bond bank fund; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State. Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of $5,000,000,000 and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State. General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2009 are comprised of the following (expressed in thousands):

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	2.0-7.0%	$ 1,838,365	$ 1,385,990
Exempt from Constitutional Debt Limitation	1.6-7.0%	1,412,190	693,815
Special obligation bonds:			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	3.5-6.0%	963,925	722,880
Subtotal		4,214,480	2,802,685
Issuance premiums		150,022	109,407
Governmental activities bonds payable		4,364,502	2,912,092
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	2.0-6.5%	149,610	113,055
Special obligation bonds:			
Housing Bonds	*1.2-8.02%	1,462,485	911,783
Subtotal		1,612,095	1,024,838
Issuance premiums		2,930	1,987
Business-type activities bonds payable		1,615,025	1,026,825
Total bonds payable		$ 5,979,527	$ 3,938,917

*Many Housing bonds have variable rates of interest. The tax exempt bonds track the SIFMA Index while the federally taxable debt tracks the one-month LIBOR Index.

B. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2009 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 1,909,725	$ 300,325	$ (130,245)	$ 2,079,805	$ 126,210
Special obligation bonds	774,300	-	(51,420)	722,880	54,040
Subtotal	2,684,025	300,325	(181,665)	2,802,685	180,250
Issuance premiums	100,771	18,494	(9,858)	109,407	9,940
Total bonds payable	2,784,796	318,819	(191,523)	2,912,092	190,190
Obligations under capital leases	19,891	337	(2,312)	17,916	2,107
Compensated absences obligations	99,392	131,957	(128,803)	102,546	69,549
Arbitrage rebate liability	575	397	(397)	575	-
Certificates of participation	59,320	-	(1,290)	58,030	1,370
Governmental activities long-term obligations	$ 2,963,974	$ 451,510	$ (324,325)	$ 3,091,159	$ 263,216
Business-type activities:					
Bonds payable					
General obligation bonds	$ 115,805	$ 4,330	$ (7,080)	$ 113,055	$ 7,995
Special obligation bonds	886,195	59,180	(33,592)	911,783	10,523
Subtotal	1,002,000	63,510	(40,672)	1,024,838	18,518
Issuance premiums	2,090	64	(167)	1,987	166
Total bonds payable	1,004,090	63,574	(40,839)	1,026,825	18,684
Compensated absences obligations	1,615	2,428	(2,251)	1,792	1,150
Arbitrage rebate liability	49	38	(15)	72	-
Tuition benefits payable	118,667	10,345	(4,081)	124,931	8,700
Business-type activities long-term obligations	$ 1,124,421	$ 76,385	$ (47,186)	$ 1,153,620	$ 28,534

(Note 8 Continued)

The General Fund, special revenue funds and internal service funds in which the leases are recorded typically liquidate the capital lease obligations. The compensated absence obligations are typically liquidated by the funds incurring the related salaries and wages costs. The debt service funds typically liquidate the arbitrage obligations. The Higher Education Tuition Trust Fund typically liquidates tuition benefits payable.

C. Debt Service Requirements for Bonds

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2009, of the primary government are summarized in the table following (expressed in thousands):

Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2010	$ 180,250	$ 134,629	$ 18,518	$ 37,288
2011	189,010	125,684	27,036	36,435
2012	162,195	116,424	20,407	35,038
2013	178,850	108,264	21,251	34,077
2014	183,570	99,416	22,215	33,057
2015-2019	811,925	372,235	136,538	148,426
2020-2024	672,885	185,855	163,462	110,859
2025-2029	418,895	37,754	154,760	71,568
2030-2034	3,465	947	199,506	37,868
2035-2039	1,640	124	209,050	12,828
2040-2044	-	-	50,110	1,886
2045-2049	-	-	1,985	186
Total	$ 2,802,685	$ 1,181,332	$ 1,024,838	$ 559,516

Debt service requirements for all capital leases and installment purchases are presented in Section I of this note. No debt service requirements are presented for compensated absences obligations since the repayment dates are unknown.

D. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2009, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	$ 2,482,138
Less: Bonds and leases payable as of June 30, 2009, subject to limitation	(1,405,781)
Remaining debt capacity	$ 1,076,357

E. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of $1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Twenty-three projects were funded through the Nevada Municipal Bond Bank as of June 30, 2009, and total investments in local governments amounted to $326,335,000.

F. Refunded Debt and Redemptions

In prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total outstanding amount of defeased issues at June 30, 2009 is $96,503,172.

G. Amounts Available and Amounts to be Provided for Debt Service

At June 30, 2009, the amount available to service debt in the Consolidated Bond Interest and Redemption debt service fund is $159,115,972. At June 30, 2009, the amount available to service debt in the Highway Revenue Bonds debt service fund is $34,458,904. At June 30, 2009, the amount available to service the debt in the Municipal Bond Bank special revenue fund is $326,122,457.

(Note 8 Continued)

The amount to be provided by other governments of $131,225,000 is due from the Southern Nevada Water Authority (SNWA). Until January 1, 1996 the Colorado River Commission (CRC), a component unit responsible for managing Nevada's interest in the water and power resources available from the Colorado River, operated the Southern Nevada Water System (SNWS). In accordance with Chapter 393 of the 1995 Legislature, certain rights, powers, duties and liabilities of SNWS were transferred from the State and CRC to the SNWA effective January 1, 1996. These rights, powers, duties and liabilities included, but were not limited to, the State of Nevada general obligation bonds, the existing water user contracts, the Service Contract between CRC and the Las Vegas Valley Water District, and all other contracts related to the SNWS including contracts for capital improvement. Accordingly, the State records the general obligation bonds previously reported in CRC and an associated amount to be provided by other governments in the government-wide financial statements.

H. Bond Indenture Provisions

There are restrictions and limitations contained in the various bond indentures. The State is in compliance with the requirements of the bond covenants.

I. Capital Leases

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2009, include equipment with a historical cost of $8,481,000 with accumulated depreciation of $5,559,000 and building improvements of $11,149,000 with accumulated depreciation of $557,000.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the net minimum lease payments as of June 30, 2009 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2010	$ 2,824
2011	2,815
2012	2,311
2013	1,500
2014	1,516
2015-2019	7,868
2020-2024	3,625
Total minimum lease payments	22,459
Less: amount representing interest	(4,543)
Obligations under capital leases	**$ 17,916**

J. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2009, and changes for the fiscal year then ended is presented in Section B of this note.

K. Tuition Benefits Payable

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section B based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows:

APV of the future tuition obligation	$124,931,000
Net assets available	108,467,156
Net assets as a percentage of tuition benefits obligation	86.82%

The actuarial valuation used an investment yield assumption of 7.25% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
Fall 2010	4.96%	5.00%
Fall 2011 and later	6.00%	4.00%

L. Certificates of Participation

In fiscal year 1999, the Nevada Real Property Corporation, a blended component unit, issued $15,000,000 of general obligation certificates of participation at 4.1-5.0% interest to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility. Under the certificates of participation financing arrangements, the State is required to make payments from general (ad valorem) taxes in the Consolidated Bond Interest and Redemption debt service fund that approximate the interest and principal payments made by trustees to certificate holders.

In fiscal year 2004, the Nevada Real Property Corporation issued $21,550,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the construction of an office building in Carson City (near the State capitol build-

(Note 8 Continued)

ings). In fiscal year 2005, the Nevada Real Property Corporation issued $22,435,000 of Lease Revenue Certificates of Participation at 3.0-5.0% interest to finance the acquisition of a site for and the construction of a new correctional facility in Las Vegas. In fiscal year 2007, the Nevada Real Property Corporation issued $5,760,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises. Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. However, the payment of principal and interest on both issues of certificates is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2009 (expressed in thousands):

Year Ending June 30	Principal	Interest
2010	$ 1,370	$ 2,647
2011	1,500	2,591
2012	1,630	2,526
2013	1,780	2,456
2014	1,940	2,379
2015-2019	11,100	10,490
2020-2024	10,630	8,325
2025-2029	16,300	5,412
2030-2034	11,780	1,183
Total	$ 58,030	$ 38,009

M. Conduit Debt Obligations

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2009, there are eighteen series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $947,846,614.

N. Pledged Revenue

Pledged motor vehicle and special fuel tax - the State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay $722,880,000 in outstanding Highway Improvement Revenue Bonds that were issued from December 2000 through April 2008 for highway construction projects and property acquisition. Total principal and interest remaining on the bonds is $976,780,665 payable through December 2026. Upon completion of eligible projects, federal aid of $240,996,874 is expected to be received in fiscal year 2010. For the current year, principal and interest paid was $88,576,934, and total motor vehicle fuel and special fuel tax revenues were $269,478,899.

Pledged Nevada Housing Division program funds - the single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

The multi-unit bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; all earnings realized from the investment of bond proceeds; after permanent financing, all revenues received from the development including housing assistance and rental payments made by tenants, notes receivable collateralized by deeds of trust and the rights to FHA insurance, draws on bank letters of credit, private mortgage and hazard insurance and condemnation proceeds.

Substantially all program fund assets are pledged in trust for the benefit of the bondholders.

O. Interest Rate Swap Agreements

Objective - The Nevada Housing Division has entered into six pay-fixed, receive-variable interest rate swaps in order to provide lower cost fixed rate financing for its single-family loan production needs. The Nevada Housing Division policy requires hedging of all variable rate debt issuances through synthetic fixed rate structures.

Terms, Fair Values and Credit Ratings - The terms, fair values, and credit ratings of the outstanding swaps as of June 30, 2009 were as follows (expressed in thousands):

(Note 8 Continued)

Associated Single-Family Bond Issue	Current Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Termination Date	Counter-Party Rating	Fair Value
2006 Issue A	$ 4,500	09/23/08	4.720%	68% of USD-LIBOR-BBA	04/01/37	Aaa	$ (522)
2006 Issue B	4,500	09/23/08	4.230%	68% of USD-LIBOR-BBA	10/10/41	Aaa	(398)
2007 Issue A	4,500	09/23/08	4.246%	68% of USD-LIBOR-BBA	04/01/42	Aaa	(435)
2007 Issue B	8,000	10/09/07	4.340%	68% of USD-LIBOR-BBA	04/01/42	Aaa	(827)
2008 Issue A	14,700	04/03/08	3.736%	68% of USD-LIBOR-BBA	10/01/39	Aaa	(857)
2008 Issue B	7,500	09/25/08	3.670%	68% of USD-LIBOR-BBA	04/01/39	Aaa	(419)
Total Single-Family	$ 43,700						$ (3,458)

The notional amounts of the swaps match the principal amounts of the associated debt. Except as discussed under rollover risk, the Housing Division's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category.

Credit Risk – All of the Housing Division's swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result the Housing Division is exposed to credit risk. Credit risk is the risk that a swap counterparty fails to perform according to contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps as detailed above. To mitigate this credit risk, the Housing Division maintains strict credit standards for swap counterparties, and requires the counterparties to be rated in the AA or higher category by either Moody's or Standard and Poor's at the time the contract is entered into. The Housing Division has executed its swap transactions with two counterparties. The counterparties are rated Aaa/A1. The swap agreements contain a collateral agreement with the counterparty, and require full collateralization of the fair value of the swap should the counterparty's credit rating fall below the requirement. Eligible collateral on the swaps can include cash or U.S. government securities held by a third-party custodian.

Basis Risk – The Housing Division is exposed to basis risk when the relationship between LIBOR and BMA converges, changing the synthetic rate on the bonds. When exposed to basis risk, the net interest expense incurred on the combination of the swap agreement and the associated variable rate debt may be higher or lower than anticipated. As of June 30, 2009, the BMA rate was .35% and 68% of the LIBOR was .20995%.

Termination Risk – The Housing Division's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards, the Housing Division or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. The Housing Division views the likelihood of such events to be remote at this time. If at the termination a swap has a negative value, the Housing Division would be liable to the counterparty for a payment equal to the fair value of such swap.

Rollover Risk – The Housing Division is exposed to rollover risk on swaps that mature or may be terminated at the counterparty's option prior to the maturity of the associated debt. As of June 30, 2009, the Division is not exposed to any rollover risk.

Swap Payments and Associated Debt - Using interest rates as of June 30, 2009, debt service requirements of the Housing Division's outstanding variable-rate debt and net swap payments are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Swaps, Net	Total
2010	$ -	$ 153	$ 1,674	$ 1,827
2011	-	153	1,674	1,827
2012	-	153	1,674	1,827
2013	-	153	1,674	1,827
2014	-	153	1,674	1,827
2015-2019	-	765	8,368	9,133
2020-2024	-	765	8,368	9,133
2025-2029	1,075	761	8,331	10,167
2030-2034	10,095	657	7,283	18,035
2035-2039	26,850	294	3,256	30,400
2040-2044	5,680	17	195	5,892
Total	$ 43,700	$ 4,024	$ 44,171	$91,895

As rates vary, variable-rate interest rate payments on the bonds and net sweep payments will change.

P. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2009, and the changes for the year then ended, consist of the following (expressed in thousands):

(Note 8 Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	$ 454,791	$ 80,375	$ (17,731)	$ 517,435	$ 18,527
Issuance premiums	11,586	98	(474)	11,210	474
Total bonds payable	466,377	80,473	(18,205)	528,645	19,001
Obligations under capital leases	10,600	2,033	(3,931)	8,702	2,220
Compensated absences obligations	45,340	28,129	(30,397)	43,072	29,027
Total	$ 522,317	$ 110,635	$ (52,533)	580,419	50,248
Discretely presented component units of the NSHE:					
Capital leases				1,763	1,337
Compensated absences obligations				14	14
Long-term debt				923	86
Total				$ 583,119	$ 51,685

Tuition and fees, auxiliary enterprises' revenue and certain other revenue as defined in the bond indentures secure the revenue bonds.

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2009 (expressed in thousands):

Year Ending June 30	Principal	Interest
2010	$ 19,001	$ 23,232
2011	20,909	22,511
2012	19,689	21,728
2013	20,154	20,935
2014	20,979	20,080
2015-2019	103,081	87,331
2020-2024	93,489	65,049
2025-2029	90,846	43,806
2030-2034	97,284	21,787
2035-2039	43,213	3,551
Total	$ 528,645	$ 330,010

Future net minimum rental payments which are required under the capital leases by NSHE for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Amount
2010	$ 2,564
2011	2,520
2012	1,386
2013	1,359
2014	1,025
2015-2019	896
Total minimum lease payments	9,750
Less: amount representing interest	(1,048)
Obligations under capital leases	$ 8,702

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2009, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 109,260	$ -	$ (5,200)	$ 104,060	$ 5,490
Issuance premiums	3,151	-	(247)	2,904	247
Issuance discounts	(10)	-	8	(2)	(2)
Unamortized refunding charges	(5,143)	-	347	(4,796)	(348)
Total bonds payable	107,258	-	(5,092)	102,166	5,387
Compensated absences obligations	224	199	(150)	273	193
Total	$ 107,482	$ 199	$ (5,242)	$ 102,439	$ 5,580

Scheduled maturities for bonds payable by CRC for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest
2010	$ 5,490	$ 5,091
2011	5,770	4,792
2012	6,065	4,482
2013	6,400	4,156
2014	6,735	3,812
2015-2019	34,990	13,298
2020-2024	18,290	7,073
2025-2029	19,585	2,278
2030	735	17
Total	$ 104,060	$ 44,999

Note 9 - Pensions and Other Employee Benefits

The Nevada Legislature created various plans to provide benefits to qualified employees and certain elected officials of the State as well as employees of other public employers. The Public Employees' Retirement Board administers the Public Employees' Retirement System of Nevada (PERS), the Legislators' Retirement System of Nevada (LRS) and the Judicial Retirement System of Nevada (JRS). A summary description of the plans follows.

A. PERS

Plan Description - All full-time State employees and full-time employees of participating local government entities in the State are members in the PERS, a defined benefit cost-sharing, multiple-employer public employees' retirement system established in 1947 by the Nevada Legislature. PERS provides a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. At June 30, 2009, there were 178 participating employers and other contributing entities.

PERS' issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports PERS as a pension trust fund. PERS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits and survivor benefits. Monthly benefit allowances for regular members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned after July 1, 2001, this multiplier is 2.67% of average compensation. However, for members entering the System on or after January 1, 2010, there is only a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Summary of Significant Accounting Policies – PERS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute, employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on estimated current values and Member Appraisal Institute independent appraisals. For private equity partnership investments, estimated fair value is determined in good faith by the general partner of the respective investment partnership. In addition, each partnership undergoes an independent audit on an annual basis.

Contributions - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is provided by statute. New hires of the State of Nevada and public employers, who did not elect the employer-pay contribution plan prior to July 1, 1983, have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. One plan provides for matching employee and employer contributions while the other plan provides for employer-pay contributions only.

Funding Policy - PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis, contributions actually made are in accordance with the required rates established by the Legislature. These statutory rates are increased or decreased pursuant to NRS 286.421 and 286.450.

(Note 9 Continued)

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2009 were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-pay plan	20.50%	na
Employee/employer plan (matching rate)	10.50%	10.50%
Police and Fire employees:		
Employer-pay plan	33.50%	na
Employee/employer plan (matching rate)	17.25%	17.25%

The State's contribution requirements for the current fiscal year and each of the two preceding years were (expressed in thousands):

	2009	2008	2007
Primary Government	$ 153,768	$ 146,754	$ 136,270
Component Units:			
Colorado River Commission	443	448	403
Nevada System of Higher Education	28,030	27,269	24,988
Total component units	28,473	27,717	25,391
Total reporting entity	$ 182,241	$ 174,471	$ 161,661
Contributions as % of covered payroll	16%	16%	16%
Percentage of pension costs contributed	100%	100%	100%

B. LRS

Plan Description - All State Legislators are members in the Legislators' Retirement System (LRS), a defined benefit, single-employer public employees' retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. LRS is legislated by and functions in accordance with State laws established by the Nevada Legislature. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefit payments to which participants may be entitled under the plan include pension benefits and death benefits. Monthly benefit allowances are $25 for each year of service up to thirty years.

LRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports LRS as a pension trust fund. LRS financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Summary of Significant Accounting Policies – LRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yield currently available on comparable securities of issuers with similar credit ratings.

Contributions - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218.2387(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated $401,732 for fiscal years 2009 and 2010, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2009, of which $200,866 (half) was recognized as employer contributions in the fiscal year ended June 30, 2009, and the other half was recorded as deferred revenue. Employee contributions of $61,200 were received in fiscal year 2009, of which, $30,600 (half) was recorded as employee contributions in the fiscal year ended June 30, 2009, and the other half was recorded as deferred revenue.

Actuarial Information - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. Actuarial methods and significant assumptions used in the January 1, 2009, actuarial valuation include the following:

(Note 9 Continued)

Actuarial Cost Method:	Entry age normal cost
Amortization Method:	Year-by-year closed with each amortization period set at 20 years
Asset Valuation Method:	Five year smoothed market
Actuarial Assumptions:	
Investment yield	8%
Projected salary increases	None
Retirement Age for Active Members:	Legislators become fully vested at age 60 with eight years of service with service credit before July 1, 1985, or at age 60 with ten years of service without service credit before July 1, 1985.
Assumed Mortality Rate:	1983 Group Annuity Mortality Table
Cost of Living (Post-Retirement) Increases:	2% after 3 years of receiving benefits 3% after 6 years of receiving benefits 3.5% after 9 years of receiving benefits 4% after 12 years of receiving benefits 5% after 14 years of receiving benefits Cap based on CPI if benefits outpace inflation

Trend Information - Three-year trend information follows (expressed in thousands):

Calendar Year	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2007	$ 185	$ 185	100%	$ -
2008	185	185	100%	-
2009	201	201	100%	-

Funded Status and Funding Progress – As of January 1, 2009, the most recent actuarial valuation date, the LRS was 71% funded. The actuarial accrued liability for benefits was $5.9 million, and the actuarial value of assets was $4.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1.7 million. The covered payroll (annual payroll of active employees covered by the plan) was $ .4 million, and the ratio of the UAAL to the covered payroll was 492%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. JRS

Plan Description - The Judicial Retirement System of Nevada (JRS) is the administrator of an agent multiple-employer public employees defined benefit retirement system established in 2001 by the Nevada Legislature. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. As of January 1, 2009, the Supreme Court and ten municipalities in Nevada had elected to participate in JRS.

JRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports JRS as a pension trust fund. JRS financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002 may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002 may select only the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement to a maximum of 75% with 22 years, times the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Option 2 – Previous Benefit Plan: Retiring members who were serving as a judge prior to November 5, 2002 may select the following benefit: Benefit payments are computed at 4.1666% for the first five years of service and 4.1666% for each additional year of service, up to a total maximum of 22 years, times the member's compensation for their last year of service.

Summary of Significant Accounting Policies – JRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute,

(Note 9 Continued)

contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Contributions – The JRS is an employer-paid plan and there is no contribution from active members. The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Annually, the participating employers pay to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

Actuarial Information – Actuarial valuations of the JRS are prepared annually on a calendar year basis. Significant actuarial assumptions used in the January 1, 2009 valuation include the following:

Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percent of pay (3% payroll growth assumed) over a declining amortization period of: 30 years for Supreme Court and District Judges 20 years for each non-state agency
Asset Valuation Method:	5-year smoothed market
Actuarial Assumptions:	
Investment yield	8%
Projected salary increases	1 to 4 years of service increase of 3% per year 5 years of service increase of 11% per year 6 to 12 years of service increase of 5% per year 13 or more years of service increase of 3% per year
Retirement Age for Active Members:	Retirement rates after completion of five years of service and attainment of the following ages:

Age	Rate per Age
60—64	35%
65—67	50%
68—69	75%
70	100%

Assumed Mortality Rate:	RP-2000 Male Combined Healthy Table RP-2000 Female Combined Healthy Table set forward one year
Cost of Living (Post-Retirement) Increases:	2% after 3 years of receiving benefits 3% after 6 years of receiving benefits 3.5% after 9 years of receiving benefits 4% after 12 years of receiving benefits 5% after 14 years of receiving benefits Cap based on CPI if benefits outpace inflation

Trend Information - Three-year trend information follows (expressed in thousands):

	2009	2008	2007
Annual required contribution	$ 3,740	$ 3,453	$ 3,423
Interest on net pension obligation	(24)	(6)	-
Adjustment to annual required contribution	69	19	(1)
Annual pension cost	3,785	3,466	3,422
State contribution made	(3,992)	(3,680)	(3,509)
Increase (decrease) in net pension obligation	(207)	(214)	(87)
Net pension obligation (asset) at beginning of year	(298)	(84)	3
Net pension obligation (asset) at end of year	$ (505)	$ (298)	$ (84)
Percentage of annual pension costs contributed	105%	106%	103%

(Note 9 Continued)

Funded Status and Funding Progress – As of January 1, 2009, the most recent actuarial valuation date, the JRS was 59% funded. The actuarial accrued liability for benefits was $67.2 million, and the actuarial value of assets was $39.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of $27.4 million. The covered payroll (annual payroll of active employees covered by the plan) was $11.4 million, and the ratio of the UAAL to the covered payroll was 241%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

D. Other Postemployment Benefits

Plan Description – The State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program ("PEBP") of the State of Nevada ("Retirees' Fund") was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees. NRS 287.0436 established the Retirees' Fund as an irrevocable trust fund for the purpose of providing retirement benefits other than pensions. The Retirees' Fund is a multiple-employer cost sharing defined postemployment benefit plan with three participating employers, and is administered by the Board of the Public Employees' Benefits Program of the State of Nevada. The Retirees' Fund provides benefits other than pensions to eligible retirees and their dependents through the payment of subsidies to the PEBP. PEBP administers a group health and life insurance program for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. NAC 287.530 establishes the benefit upon the retiree. All Nevada public employees who retire with at least five years of public service and who have State service are eligible to receive benefits from the Retirees' Fund. State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. A portion of the monthly premiums are deducted from pension checks and paid to the PEBP. The cost varies depending on which health plan the retiree chooses, as well as the amount of subsidy they receive.

The Retirees' Fund issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports the Retiree's Fund as a trust fund. The Retirees' Fund financial report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Summary of Significant Accounting Policies - The financial statements of the Retirees' Fund have been prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Retirees' Fund does not receive member contributions.

Method Used to Value Investments – Investments are reported at fair value, which is defined as the price at which an asset passes from a willing seller to a willing buyer. Investments are held with the Retirement Benefits Investment Fund (RBIF), which values participants' shares according to the contributions of each entity, and accordingly, earnings and expenses are allocated to each entity in proportion to the participants' share in the RBIF.

Contributions and Funding Policy - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees' Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2008 through July 31, 2008 the rate assessed was 0.00%, due to a premium holiday. For the period from August 1, 2008 through January 31, 2009 the rate assessed was 2.97%, from February 1, 2009 through June 30, 2009 the rate assessed was 1.57% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. For the year ended June 30, 2009, the State and its component units contributed $38,683,119 to the plan, including $32,256,720, which is 100% of the contractually required contribution, and an additional $6,426,399 to prefund benefits. For the year ended June 30, 2008, the State and its component units contributed $59,263,078 to the plan, including $39,590,702, which is 100% of the contractually required contribution, and an additional $19,672,376 to prefund benefits. Prior to the establishment of the Retirees' Fund, the State's contributions to the PEBP for the year ended June 30, 2007 were $28,479,026, which equaled 100% of the required contributions.

Note 10 - Risk Management

The State of Nevada established the Self-Insurance and Insurance Premiums funds in 1983 and 1979, respectively. Both funds are classified as internal service funds.

Interfund premiums are reported as interfund services provided and used. All State funds participate in the insurance program. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

	Self Insurance Fund	Insurance Premiums Fund
Balance June 30, 2007	$ 25,082	$ 47,150
Claims and changes in estimates	206,650	8,822
Claim payments	(199,098)	(12,170)
Balance June 30, 2008	32,634	43,802
Claims and changes in estimates	238,691	18,999
Claim payments	(235,444)	(17,213)
Balance June 30, 2009	$ 35,881	$ 45,588
Due Within One Year	$ 35,881	$ 17,655

These liabilities are recorded in accordance with GASB Statement No. 10. This statement requires that a liability for claims be reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Assets.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2009. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are fourteen public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, one hundred twenty-five public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of nine members: eight members appointed by the Governor, and the Director of the Department of Administration or his designee.

The Self-Insurance Fund is self-insured for medical, dental, vision, mental health and substance abuse benefits and assumes all risk for claims incurred by plan participants. Fully insured HMO products are also offered. Accidental death and dismemberment, travel accident, long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

B. Insurance Premiums Fund

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, workers' compensation insurance for State employees, and auto physical damage and property insurance for State agencies.

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers compensation. For the year ended June 30, 2009, the loss retention for this policy was $1,500,000. Effective January 1, 2001 NSHE and PERS were excluded from coverage under this policy. Liabilities in the amount of $38,192,565 as of June 30, 2009 were determined using standard actuarial techniques as estimates for the incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2009.

The Fund is financed by the State. The State has a maximum exposure of $50,000 through October 1, 2007 and $75,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal

(Note 10 Continued)

court. Those claims filed in federal court are not subject to the limit. Per State statute, if, as the result of future general liability or catastrophic losses, fund resources are exhausted, coverage is first provided by the reserve for statutory contingency account and would then revert to the General Fund.

The Fund is fully self-insured for general, civil and vehicle liability. The fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to $250,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2009, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liabilty for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial tecniques, which take into account claims history and loss development factors for similar entities. This liability is further adjusted for a non-working escrow deposit on-hand with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart disease. A range of estimated losses from $6,595,800 to $28,704,200 has been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

At June 30, 2009 total liabilities exceeded total assets by $28,282,349. The Fund is liable for approximately $28,300,000 as of June 30, 2009 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

Note 11 - Fund Balances and Net Assets

A. Net Assets Restricted by Enabling Legislation

The government-wide statement of net assets reports $1,522,091 (expressed in thousands) of restricted net assets for the primary government of which $141,800 (expressed in thousands) is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances, reserved for other at June 30, 2009, are explained as follows (expressed in thousands):

	General	State Highway	Other Governmental	Total
Fund balances, reserved for other:				
Reserved for prepaid items	$ 2,917	$ 7	$ 19	$ 2,943
Reserved for noncurrent receivables - notes	489	-	28	517
Reserved for specific purpose private contributions			169	169
Reserved for legislatively approved allocations	-	-	9,649	9,649
Total fund balances, reserved for other	$ 3,406	$ 7	$ 9,865	$ 13,278

Governmental fund balances, unreserved, designated, reported in nonmajor funds at June 30, 2009, are explained as follows (expressed in thousands):

	Other Governmental	Total
Fund balances, unreserved, designated, reported in nonmajor:		
Special revenue funds:		
Designated for principal preservation	$ 119	$ 119
Designated for information technology projects	158	158
Total special revenue funds	277	277
Capital project funds:		
Designated for approved capital projects	73,898	73,898
Total fund balances, unreserved, designated, reported in nonmajor funds	$ 74,175	$ 74,175

(Note 11 Continued)

C. Individual Fund Deficits

Enterprise Funds

Nevada Magazine - The Nevada Magazine Fund accounts for the operation of the publication, *Nevada Magazine*, which is published to promote tourism. The fund shows an increase in net assets of $52,689 for the fiscal year ended June 30, 2009, resulting in net liabilities (negative net assets) of $135,645 at June 30, 2009.

Higher Education Tuition Trust - The Higher Education Tuition Trust Fund accounts for the receipts and disbursements related to prepaid tuition contracts that allow the cost of tuition to be paid in advance of enrollment at an institution of higher education. The fund shows a decrease in net assets of $15,899,781 for the fiscal year ended June 30, 2009, resulting in net liabilities (negative net assets) of $16,463,844 at June 30, 2009.

Internal Service Fund

Insurance Premiums - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded a decrease in net assets of $2,557,040 for the year ended June 30, 2009, resulting in net liabilities (negative net assets) of $28,282,349 at June 30, 2009.

Note 12 - Principal Tax Revenues

The principal taxing authorities for the State of Nevada are the Nevada Tax Commission and the Nevada Gaming Commission.

The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes.

The following are the primary non-gaming tax revenues:

Sales and Use Taxes are imposed at a minimum rate of 6.5%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

Modified Business Tax is imposed at .63% for businesses other than financial institutions, and 2% for financial institutions, on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

Insurance Premium Tax is imposed at 3.5% on insurance premiums written in Nevada. A "Home Office Credit" is given to insurance companies with home or regional offices in Nevada, but not to exceed 80% of the taxes due.

Motor Vehicle Fuel Tax is levied at 24.805 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, .75 cents goes to the Cleaning Up Petroleum Discharges Fund, .055 cents goes to the General Fund and the remaining 6.35 cents goes to the counties. The counties have an option to levy up to an additional 9 cents per gallon.

Other Sources of tax revenues include: Cigarette Tax, Controlled Substance Tax, Estate Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), Lodging Tax, Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Real Property Transfer Tax, Short-Term Lessor Fees and Tire Tax.

The Nevada Gaming Commission was created under NRS 463.022 and is charged with collecting State gaming taxes and fees. The following sources account for gaming tax revenues:

Percentage Fees are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates:

3.5% of the first $50,000 of gross revenue; 4.5% of the next $84,000 of gross revenue; and 6.75% of the gross revenue in excess of $134,000.

Live Entertainment Taxes are imposed at 10% of all amounts paid for admission, food, merchandise or refreshment, while the establishment is providing entertainment in facilities with less than occupancy/seating of 7,500. A 5% rate is imposed for facilities with at least 7,500 occupancy/seating.

Flat Fee Collections are levied on the number of gambling games and slot machines operated. Licensees pay fees at variable rates on the number of gaming devices operated per quarter.

Other Sources of gaming tax revenues include: Annual State Slot Machine Taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

Note 13 - Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, preserves the rich railroad heritage of Nevada, including locomotives and cars of the famous Virginia & Truckee Railroad. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the state and make excellence in the arts accessible to all Nevadans.

These collections are not capitalized by the State because they are:

- Held for public exhibition, education or research in furtherance of public service, rather than financial gain,
- Protected, kept unencumbered, cared for and preserved, and
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Note 14 - Commitments and Contingencies

A. Primary Government

Lawsuits - The State Attorney General's Office reported that the State of Nevada or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State, the State Attorney General is of the opinion that the State's financial condition will not be materially affected by this litigation, based on information known at this time.

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of $50,000 per cause of action through October 1, 2007 and $75,000 per cause of action thereafter. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Tort claims are handled in accordance with NRS 41. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascertainable at the present time. Currently, the State is involved in several actions alleging federal civil rights violations that could result in substantial liability to the State.

In litigation filed against the Department of Taxation, the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the Department of Taxation as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is $52.8 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between it and Lehman Brothers Commercial Bank, a Utah industrial bank ("LBCB"). When the State entered into the forward delivery investment agreement in June of 2002, it received a fee of $20.5 million in exchange for agreeing to purchase certain specified US treasury securities of various maturities and principal amounts from LBCB at different times between June 30, 2002 and May 15, 2028. The State was required to purchase the securities at their matured values, or par value if discount securities were purchased. LBCB would realize revenue at the time of delivery to the custodian. In January of 2009, LBCB (now known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgement action and a counterclaim requesting a judgement in favor of LBCB in the declaratory relief claim, and seeking other relief, including an award of damages against the State. While the State believes it has a meritorious claim for declaratory relief and meritorious defenses to LBCB's counterclaim, the State cannot at this time predict the outcome of this action.

PERS - The Public Employees' Retirement System (PERS) has entered into investment funding commitments related to alternative investments to fund an additional $517.8 million at some future date. Alternative investments consist of acquisitions, industry consolidations, subordinated debt instruments, special situations, and venture capital.

Leases - The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Assets. Primary government lease expense for the year ended June 30, 2009 amounted to $34.8 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2009 (expressed in thousands):

For the Year Ending June 30	Amount
2010	$ 27,295
2011	23,056
2012	16,406
2013	11,856
2014	6,394
2015-2019	8,621
2020-2024	2,595
2025-2029	198
Total	$ 96,421

Federal Grants - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2009, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

Rebate Arbitrage - The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. The present value of the rebatable arbitrage is $647,000 and has been recorded as a liability in the Statement of Net Assets at June 30, 2009. Future calculations might result in different rebatable arbitrage amounts.

Construction Commitments – As of June 30, 2009, the Nevada Department of Transportation had total contractual commitments of approximately $377.7 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total $40.2 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2009, NSHE had entered into various investment agreements with private equity partnerships. Under the terms of certain of these investment agreements, NSHE is obligated to make additional investments in these private equity partnerships of $5,042,000.

NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially affect the net assets, changes in net assets or cash flows of NSHE.

Colorado River Commission (CRC) - The CRC may from time to time be a party in various litigation matters. It is management's opinion, based upon advice from legal counsel, that the risk of financial losses to CRC from such litigation, if any, will not have a material adverse effect on CRC's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

The CRC does not accrue for estimated future legal defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by CRC. Under this Act, an amount may be required to be rebated to the United States Treasury for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. The arbitrage rebate calculation as of the most recent such date indicates that no amount is due. Future calculations might result in adjustments to this determination.

Note 15 - Subsequent Events

Primary Government

Bonds - The following bonds were sold after June 30, 2009:

General Obligation Bonds - $68,000,000 Series 2009A, General Obligation (Limited Tax), Capital Improvement Bonds, due in annual installments ranging from $4,280,000 to $29,860,000 due on May 1, 2017 through 2029, plus interest ranging from 4.455% to 6.170% payable semi-annually on May 1st and November 1st, commencing May 1, 2010. The Series 2009A Bonds maturing on and after May 1, 2020 will be subject to optional redemption on and after May 1, 2019. The Series 2009A Bonds maturing on May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from $5,515,000 to $6,445,000 payable annually on May 1, 2025 through 2029. The Series 2009A Bonds are subject to the Constitutional Debt Limit.

$34,990,000 Series 2009B General Obligation (Limited Tax), Capital Improvement, Cultural Affairs and Refunding Bonds, due in annual installments ranging from $155,000 to $5,660,000 due on May 1, 2011 through 2029, plus interest ranging from 4.00% to 5.00% payable semi-annually on May 1st and November 1st, commencing May 1, 2010. The Series 2009B Bonds maturing on and after May 1, 2020 will be subject to optional redemption on and after May 1, 2019. The Series 2009B Bonds maturing on May 1, 2024 and May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from $170,000 to $260,000 payable annually on May 1, 2020 through 2029. The Series 2009B Bonds are subject to the Constitutional Debt Limit.

$14,680,000 Series 2009C General Obligation (Limited Tax), Natural Resources and Refunding Bonds, due in annual installments ranging from $450,000 to $5,255,000 due on May 1, 2012 through 2029, plus interest ranging from 3.00% to 5.00% payable semi-annually on May 1st and November 1st, commencing May 1, 2010. The Series 2009C Bonds maturing on and after May 1, 2020 will be subject to optional redemption on and after May 1, 2019. The Series 2009C Bonds maturing on May 1, 2024 and May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from $745,000 to $1,155,000 payable annually on May 1, 2020 through 2029. The Series 2009C Bonds are not subject to the Constitutional Debt Limit.

$5,000,000 Series 2009D General Obligation (Limited Tax), Open Space, Parks and Cultural Resources Bonds, due in annual installments ranging from $225,000 to $1,975,000 due on May 1, 2014 through 2029, plus interest ranging from 3.00% to 5.00% payable semi-annually on May 1st and November 1st, commencing May 1, 2010. The Series 2009D Bonds maturing on and after May 1, 2020 are subject to optional redemption on and after May 1, 2019. The Series 2009D Bonds maturing on May 1, 2024 and May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from $280,000 to $435,000 payable annually on May 1, 2020 through 2029. The Series 2009D Bonds are subject to the Constitutional Debt Limit.

$8,240,000 Series 2009E General Obligation (Limited Tax), Open Space, Parks and Natural Resources Bonds, due in annual installments ranging from $375,000 to $3,255,000 due on May 1, 2014 through 2029, plus interest ranging from 3.00% to 5.00% payable semi-annually on May1st and November 1st, commencing May 1, 2010. The Series 2009E Bonds maturing on and after May 1, 2020 will be subject to optional redemption on and after May 1, 2019. The Series 2009E Bonds maturing on May 1, 2024 and May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from $460,000 to $715,000 payable annually on May 1, 2020 through 2029. The Series 2009E Bonds are not subject to the Constitutional Debt Limit.

Certificates of Participation - $7,900,000, Nevada Real Property Corporation State of Nevada General Obligation (Limited Tax) Certificates of Participation (Secure Juvenile Treatment Facility Project), Series 2009, due in annual installments ranging from $965,000 to $1,305,000 due on July 1, 2011 through 2017, plus interest ranging from 5.00% to 5.125% payable semi-annually on January 1st and July 1st, commencing July 1, 2010. The 2009 Certificates are not subject to prepayment prior to their maturity dates. The 2009 Certificates are being issued to prepay the entire outstanding principal balance of the 1999 Certificates.

Advances from the Federal Unemployment Account – As of January 19, 2010, the State has drawn repayable advances of $182.2 million. The State has applied for and may still draw up to $164.9 million to meet State unemployment insurance obligations through March 31, 2010. Thereafter loan requests may be submitted every 90 days.

Pending Litigation – In September of 2009, the State submitted a proof of claim in the Lehman Brothers Holding, Inc. ("Lehman") bankruptcy proceedings. This proof of claim documented the State's claim in that bankruptcy proceeding under various Lehman notes owned by the State. The bankruptcy court will determine the value of the State's claim.

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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2009 (Expressed in Thousands)

	General Fund				Highway Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Sources of Financial Resources								
Fund balances, July 1	$ 698,548	$ 698,548	$ 698,548	$ -	$ 415,731	$ 415,731	$ 415,731	$ -
Revenues:								
Sales taxes	1,162,783	873,156	859,536	(13,620)	-	-	-	-
Gaming taxes, fees, licenses	1,122,657	824,865	815,080	(9,785)	-	-	-	-
Intergovernmental	1,484,206	2,304,338	1,849,223	(455,115)	229,922	342,205	357,766	15,561
Other taxes	1,211,735	1,046,257	1,009,192	(37,065)	352,504	298,345	296,585	(1,760)
Sales, charges for services	181,887	191,234	182,702	(8,532)	25,109	28,189	16,375	(11,814)
Licenses, fees and permits	482,733	478,908	436,719	(42,189)	197,771	176,599	176,709	110
Interest	43,020	34,670	25,755	(8,915)	7,693	14,040	10,141	(3,899)
Other	238,367	316,630	252,771	(63,859)	49,532	50,914	42,003	(8,911)
Other financing sources:								
Proceeds from sale of bonds	-	10,500	10,508	8	-	20,000	20,000	-
Transfers	320,439	1,031,744	1,284,770	253,026	20,488	28,007	27,356	(651)
Reversions from other funds	-	-	16,487	16,487	-	-	-	-
Total sources	6,946,375	7,810,850	7,441,291	(369,559)	1,298,750	1,374,030	1,362,666	(11,364)
Uses of Financial Resources								
Expenditures and encumbrances:								
Constitutional agencies	169,014	437,295	274,364	162,931	-	-	-	-
Finance and administration	74,039	77,262	68,693	8,569	-	-	-	-
Education	2,555,467	3,119,553	2,951,859	167,694	-	-	-	-
Human services	2,595,313	2,957,627	2,770,587	187,040	-	-	-	-
Commerce and industry	182,702	228,022	132,307	95,715	-	-	-	-
Public safety	477,320	577,265	450,357	126,908	226,900	229,215	199,314	29,901
Infrastructure	297,477	378,030	197,966	180,064	727,009	891,432	772,626	118,806
Special purpose agencies	38,011	42,192	36,254	5,938	-	-	-	-
Other financing uses:								
Transfers to other funds	50,082	72,407	72,407	-	88,996	95,599	95,599	-
Reversions to other funds	-	-	8,538	(8,538)	-	-	38	(38)
Projected reversions	(95,000)	(95,000)	-	(95,000)	-	-	-	-
Total uses	6,344,425	7,794,653	6,963,332	831,321	1,042,905	1,216,246	1,067,577	148,669
Fund balances, June 30	$ 601,950	$ 16,197	$ 477,959	$ 461,762	$ 255,845	$ 157,784	$ 295,089	$ 137,305

Municipal Bond Bank				Stabilize the Operations of State Government			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
$ 12	$ 12	$ 12	$ -	$ 84,205	$ 84,205	$ 84,205	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
69,569	69,569	30,175	(39,394)	-	-	144	144
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	625	625	-
-	-	-	-	-	-	-	-
69,581	69,581	30,187	(39,394)	84,205	84,830	84,974	144
-	-	-	-	10,535	10,535	4,315	6,220
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,038	1,038	635	403
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
69,581	69,581	30,187	39,394	72,000	72,000	72,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
69,581	69,581	30,187	39,394	83,573	83,573	76,950	6,623
$ -	$ -	$ -	$ -	$ 632	$ 1,257	$ 8,024	$ 6,767

The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the "final budget" column. Therefore, updated revenue estimates available for appropriations as of September 17 are reported instead of the amounts disclosed in the original budget. The September 17, 2009 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2009 budget as permitted by NRS 353.220.

Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

	General Fund	State Highway	Municipal Bond Bank	Stabilize the Operations of State Government
Fund balances (budgetary basis) June 30, 2009	$ 477,959	$ 295,089	$ -	$ 8,024
Adjustments:				
Basis differences:				
Petty cash or outside bank accounts	9,301	191	-	-
Investments not recorded on the budgetary basis	21,002	-	326,335	-
Accrual of certain other receivables	121,457	6,233	6	30
Inventory	-	11,743	-	-
Advances to other funds	4,944	2	-	-
Accrual of certain accounts payable and other liabilities	(221,439)	-	-	-
Deferred revenues	(213,345)	-	-	(6)
Encumbrances	6,647	2,122	-	-
Other	(13,704)	(5,987)	(219)	(117)
Fund balances (GAAP basis) June 30, 2009	$ 192,822	$ 309,393	$ 326,122	$ 7,931

Total fund balance on the budgetary basis in the General Fund at June 30, 2009, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	$ 477,959
Restricted funds	(267,755)
Unrestricted fund balance (budgetary basis)	$ 210,204

There were no expenditures in excess of appropriations or authorizations in the individual budget accounts for the year.

Legislator's Retirement System (LRS)

Schedule of Funding Progress - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. A schedule of funding progress as of January 1 follows (expressed in thousands):

Valuation Year	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2005	$ 5,862	$ 4,102	$ 1,760	70%	$ 452	389%
2007	5,884	4,323	1,561	73%	328	476%
2009	5,955	4,229	1,726	71%	351	492%

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends.

Actuarial valuation is performed biennially; plans with biennial valuations need not present duplicate information for the intervening years.

Judicial Retirement System (JRS)

Schedule of Funding Progress - Actuarial valuations of the JRS are prepared annually on a calendar year basis to determine State contributions required to fund the system on an actuarial basis. A schedule of funding progress as of January 1 follows (expressed in thousands):

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends.

Valuation Year	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2007	$ 55,009	$ 32,431	$ 22,578	59%	$ 9,088	248%
2008	62,067	40,076	21,991	65%	11,492	191%
2009	67,192	39,764	27,428	59%	11,368	241%

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of approximately 5,300 centerline miles of roads and approximately 1,100 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 200 vehicles. In odd numbered calendar years the State completes a condition assessment of its roadways. However, the calendar year 2009 assessment is not available as of the date of this report. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show that the State's policy regarding the condition level of the roadways and bridges has been met.

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%
Actual results of 2003 condition assessment	83%	72%	90%	65%	38%

Condition Level of the Bridges

Percentage of substandard bridges

	2007	2005	2003
State Policy-maximum percentage	10%	10%	10%
Actual results conditon assessment	4%	3%	5%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

Maintenance and Preservation Costs

(Expressed in Thousands)

	2009	2008	2007	2006	2005
Estimated	$ 124,926	$ 155,051	$ 243,191	$ 207,751	$ 153,148
Actual	121,798	146,507	218,923	196,080	151,363

Maintenance and preservation costs are primarily funded with the fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.

COMBINING STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Employment Security Accounts for the administration of employment training programs (NRS 612.607), unemployment compensation claims (NRS 612.605), and employment security laws (NRS 612.615).

Regulatory Accounts for receipts and expenditures related to enforcement of regulations on manufactured housing (NRS 489.491), enforcement of regulations pursuant to dairy products (NRS 584.053), legal judgments against real estate licensees (NRS 645.842), regulation of transportation services (NRS 706.1516), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

Legislative Accounts for the necessary expenditures of the Legislature and Legislative Counsel Bureau (NRS 218.085).

Higher Education Capital Construction Accounts for the first $5,000,000 and 20% of the remaining annual slot machine tax, which is designated for capital construction and payment of principal and interest of construction bonds for higher education (NRS 463.385).

Cleaning Up Petroleum Discharges Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 590.830).

Hospital Care to Indigent Persons Accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons (NRS 428.175).

Tourism Promotion Accounts for room taxes and other monies designated for the support of the Commission on Tourism (NRS 231.250).

Offenders' Store Accounts for operations of the general merchandise stores and snack bars used by offenders. Earnings, except interest, must be expended for the welfare and benefit of all offenders (NRS 209.221).

Tobacco Settlement Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926); fifty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) and ten percent of which is allocated to the Public Health Trust fund, for the purpose of assisting Nevada residents in obtaining and maintaining good health (NRS 439.605).

Contingency Accounts for funds appropriated by the Legislature for contingencies. Funds can be allocated to State agencies and officers by the Interim Finance Committee upon recommendation of the Board of Examiners (NRS 353.266).

Care of Sites for Radioactive Waste Disposal Accounts for receipts for the care of sites for the disposal of radioactive waste (NRS 459.231).

Gift Accounts for gifts and grants received by the Commission for the Preservation of Wild Horses (NRS 504.450), the Department of Conservation and Natural Resources (NRS 232.070), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Human Resources (NRS 232.355).

Natural Resources Accounts for grants to publicly owned water systems for water conservation and capital improvements (NRS 349.952).

NV Real Property Corp General Fund Accounts for the general fund activity of the Nevada Real Property Corporation, a blended component unit incorporated to finance certain construction projects.

Miscellaneous Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); the office of advocate for customers of public utilities (NRS 228.310); and administration of capital improvement projects (NRS 341.146). It also accounts for appropriations and interest income for support of museums and history (NRS 381.0064); private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031); loans for farm projects (NRS 561.405); fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215); and funding of school improvement programs approved by the Legislature or Interim Finance Committee (NRS 387.032).

Nonmajor Debt Service Fund

Highway Revenue Bonds Accumulates monies for the payment of principal and interest on highway revenue bonds of the State (NRS 349.300).

Nonmajor Capital Projects Funds

Parks Capital Project Construction Accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources (NRS 407.065).

Capital Improvement Program - Motor Vehicle Accounts for capital improvement projects for the Department of Motor Vehicles and Public Safety (NRS 341.146).

Capital Improvement Program - Human Resources Accounts for capital improvement projects for the Department of Human Resources (NRS 341.146).

Capital Improvement Program - University System Accounts for capital improvement projects for the Nevada System of Higher Education (NRS 341.146).

Capital Improvement Program - General State Government Accounts for capital improvement projects for general government (NRS 341.146).

Capital Improvement Program - Prison System Accounts for capital improvement projects for the Department of Corrections (NRS 341.146).

Capital Improvement Program - Military Accounts for capital improvement projects for the Department of Military (NRS 341.146).

Capital Improvement Program - Wildlife Accounts for capital improvement projects for the Department of Wildlife (NRS 341.146).

Capital Improvement Program – Assistance to School Districts Accounts for assistance to school districts in financing capital improvement projects (NRS 387.333).

Nonmajor Permanent Funds

Permanent School Fund Accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. Earnings on the assets are to be used for education (State Constitution, Article 11, Section 3).

Henry Wood Christmas Fund Accounts for the bequest of the late Henry Wood to provide Christmas gifts to orphans.

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2009

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 176,787,187	$ 34,458,904	$ 245,294,271	$ 12,136,527	$ 468,676,889
Cash in custody of other officials	3,303,745	-	-	-	3,303,745
Investments	5,892,360	-	-	285,217,117	291,109,477
Receivables:					
Accounts receivable	25,278,650	-	-	-	25,278,650
Taxes receivable	6,324,042	-	-	-	6,324,042
Intergovernmental receivables	7,950,556	-	512,416	334,073	8,797,045
Accrued interest and dividends	6,004	-	-	2,690,545	2,696,549
Notes/loans receivable	28,069	-	-	-	28,069
Due from other funds	23,474,353	-	6,770,400	121,671	30,366,424
Due from fiduciary funds	479,720	-	-	-	479,720
Due from component units	2,898	-	52,466	-	55,364
Inventory	1,291,003	-	-	-	1,291,003
Prepaid items	18,759	-	-	-	18,759
Total assets	$ 250,837,346	$ 34,458,904	$ 252,629,553	$300,499,933	$ 838,425,736
Liabilities and Fund Balances					
Accounts payable and accruals:					
Accounts payable	$ 7,960,657	$ -	$ 123,140	$ -	$ 8,083,797
Accrued payroll and related liabilities	4,013,350	-	-	-	4,013,350
Intergovernmental payables	4,519,148	-	2,108	-	4,521,256
Contracts payable	-	-	18,304,785	-	18,304,785
Retention payable	-	-	14,035,881	-	14,035,881
Due to other funds	28,901,787	-	11,380,784	8,397,800	48,680,371
Due to fiduciary funds	198,158	-	-	-	198,158
Due to component units	361,564	-	100,338,612	-	100,700,176
Deferred revenues	25,350,798	-	52,658	13,416	25,416,872
Other liabilities	-	-	-	539,273	539,273
Total liabilities	71,305,462	-	144,237,968	8,950,489	224,493,919
Fund balances:					
Reserved for:					
Encumbrances and contracts	391,848	-	34,499,294	-	34,891,142
Inventories	1,291,003	-	-	-	1,291,003
Funds held as permanent investments	195,348	-	-	291,528,970	291,724,318
Debt service	-	34,458,904	-	-	34,458,904
Other	9,864,379	-	-	-	9,864,379
Unreserved:					
Designated:					
Principal preservation	119,464	-	-	-	119,464
Approved capital projects	-	-	73,898,437	-	73,898,437
Other	157,637	-	-	-	157,637
Undesignated	167,512,205	-	(6,146)	20,474	167,526,533
Total fund balances	179,531,884	34,458,904	108,391,585	291,549,444	613,931,817
Total liabilities and fund balances	$ 250,837,346	$ 34,458,904	$ 252,629,553	$300,499,933	$ 838,425,736

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

NEVADA

For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	$ 14,963,890	$ -	$ -	$ -	$ 14,963,890
Property and transfer taxes	27,038,631	-	-	-	27,038,631
Motor and special fuel taxes	-	88,995,881	-	-	88,995,881
Other taxes	44,617,282	-	-	-	44,617,282
Intergovernmental	58,682,796	-	4,214,084	-	62,896,880
Licenses, fees and permits	32,297,555	-	-	-	32,297,555
Sales and charges for services	16,679,073	-	-	-	16,679,073
Interest and investment income	1,558,580	-	3,311	15,188,338	16,750,229
Tobacco settlement income	50,061,832	-	-	-	50,061,832
Land sales	-	-	-	663,222	663,222
Other	5,895,313	-	39,663	6,445,403	12,380,379
Total revenues	251,794,952	88,995,881	4,257,058	22,296,963	367,344,854
Expenditures					
Current:					
General government	67,081,724	-	74	53,237	67,135,035
Health and social services	82,070,030	-	-	-	82,070,030
Education and support services	738,462	-	-	-	738,462
Law, justice and public safety	16,583,655	-	-	-	16,583,655
Regulation of business	22,378,158	-	-	-	22,378,158
Recreation, resource development	23,444,636	-	-	-	23,444,636
Intergovernmental	45,155,115	-	77,845,115	-	123,000,230
Capital outlay	1,598,372	-	175,000,222	-	176,598,594
Debt service:					
Principal	82,509	51,420,000	-	-	51,502,509
Interest, fiscal charges	133,946	37,156,934	-	-	37,290,880
Debt issuance costs	123,955	-	1,313,983	-	1,437,938
Total expenditures	259,390,562	88,576,934	254,159,394	53,237	602,180,127
Excess (deficiency) of revenues over expenditures	(7,595,610)	418,947	(249,902,336)	22,243,726	(234,835,273)
Other Financing Sources (Uses)					
Sale of general obligation bonds	12,951,137	-	257,774,926	-	270,726,063
Premium on general obligation bonds	129,125	-	16,872,352	-	17,001,477
Sale of capital assets	5,305	-	-	-	5,305
Transfers in	67,146,541	-	8,970,355	-	76,116,896
Transfers out	(135,489,928)	-	(84,724,834)	(15,426,228)	(235,640,990)
Total other financing sources (uses)	(55,257,820)	-	198,892,799	(15,426,228)	128,208,751
Net change in fund balances	(62,853,430)	418,947	(51,009,537)	6,817,498	(106,626,522)
Fund balances, July 1	242,385,314	34,039,957	159,401,122	284,731,946	720,558,339
Fund balances, June 30	$ 179,531,884	$ 34,458,904	$ 108,391,585	$291,549,444	$ 613,931,817

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2009

	Employment Security	Regulatory	Legislative	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 9,972,257	$ 10,749,634	$ 6,441,807	$ 5,520,876	$ 6,776,901
Cash in custody of other officials	125	2,700	3,257,749	-	-
Investments	-	-	-	-	-
Receivables:					
Accounts receivable	174,309	737,828	57,076	-	-
Taxes receivable	3,393,775	-	-	-	-
Intergovernmental receivables	7,237,323	-	-	-	-
Accrued interest and dividends	-	-	-	-	-
Notes/loans receivable	-	-	-	-	-
Due from other funds	306,490	73,264	144,054	10,920,048	45,416
Due from fiduciary funds	-	-	-	-	-
Due from component units	2,898	-	-	-	-
Inventory	-	-	777,563	-	-
Prepaid items	-	169	18,590	-	-
Total assets	$ 21,087,177	$ 11,563,595	$ 10,696,839	$ 16,440,924	$ 6,822,317
Liabilities and Fund Balances					
Accounts payable and accruals:					
Accounts payable	$ 648,352	$ 147,693	$ 490,914	$ 400	$ -
Accrued payroll and related liabilities	1,568,658	744,023	1,004,864	-	-
Intergovernmental payables	13,998	272	3,078	-	-
Due to other funds	1,395,984	65,862	513,807	10,000,000	40,002
Due to fiduciary funds	71,297	105	94,306	-	-
Due to component units	58,671	-	-	-	-
Deferred revenues	12,901	1,020,373	-	-	4,838
Total liabilities	3,769,861	1,978,328	2,106,969	10,000,400	44,840
Fund balances:					
Reserved for:					
Encumbrances and contracts	134,907	48,282	155,518	-	-
Inventories	-	-	777,563	-	-
Funds held as permanent investments	-	-	-	-	-
Other	-	169	187,175	-	-
Unreserved:					
Designated:					
Principal preservation	-	-	-	-	-
Other	-	-	157,637	-	-
Undesignated	17,182,409	9,536,816	7,311,977	6,440,524	6,777,477
Total fund balances	17,317,316	9,585,267	8,589,870	6,440,524	6,777,477
Total liabilities and fund balances	$ 21,087,177	$ 11,563,595	$ 10,696,839	$ 16,440,924	$ 6,822,317

Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Contingency	Care of Sites for Radioactive Waste Disposal
$ 2,998,355	$ 2,881,172	$ 5,208,317	$ 52,161,069	$ 23,590,655	$ 9,277,016
-	-	-	-	-	-
-	-	-	-	-	-
-	59	738,939	23,510,583	-	36,577
785,388	2,144,879	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
66,539	345,685	95,006	1,065,757	9,365,945	81,560
-	-	454,287	-	-	-
-	-	-	-	-	-
-	-	309,370	-	-	-
-	-	-	-	-	-
$ 3,850,282	$ 5,371,795	$ 6,805,919	$ 76,737,409	$ 32,956,600	$ 9,395,153
$ -	$ 2,485,399	$ 56,104	$ 514,076	$ 174,143	$ 93,232
-	97,962	184,990	24,154	-	-
3,631,505	36,397	-	13,569	-	-
176,882	9,307	565,507	2,417,003	12,375,577	4,135
-	-	32,263	187	-	-
-	-	-	302,893	-	-
7,475	195	484,380	23,582,783	-	9,162
3,815,862	2,629,260	1,323,244	26,854,665	12,549,720	106,529
-	-	40,826	6,792	-	-
-	-	309,370	-	-	-
-	-	-	-	-	-
-	-	-	-	9,648,966	-
-	-	-	-	-	-
-	-	-	-	-	-
34,420	2,742,535	5,132,479	49,875,952	10,757,914	9,288,624
34,420	2,742,535	5,482,675	49,882,744	20,406,880	9,288,624
$ 3,850,282	$ 5,371,795	$ 6,805,919	$ 76,737,409	$ 32,956,600	$ 9,395,153

	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 3,013,361	$ 30,436,437	$ -	$ 7,759,330	$ 176,787,187
Cash in custody of other officials	13,313	-	-	29,858	3,303,745
Investments	112,512	-	4,779,158	1,000,690	5,892,360
Receivables:					
Accounts receivable	509	-	-	22,770	25,278,650
Taxes receivable	-	-	-	-	6,324,042
Intergovernmental receivables	99,150	140,884	-	473,199	7,950,556
Accrued interest and dividends	960	-	-	5,044	6,004
Notes/loans receivable	-	-	-	28,069	28,069
Due from other funds	26,527	287,170	-	650,892	23,474,353
Due from fiduciary funds	-	-	-	25,433	479,720
Due from component units	-	-	-	-	2,898
Inventory	-	-	-	204,070	1,291,003
Prepaid items	-	-	-	-	18,759
Total assets	$ 3,266,332	$ 30,864,491	$ 4,779,158	$ 10,199,355	$ 250,837,346
Liabilities and Fund Balances					
Accounts payable and accruals:					
Accounts payable	$ 50,834	$ 134,778	$ -	$ 3,164,732	$ 7,960,657
Accrued payroll and related liabilities	4,390	-	-	384,309	4,013,350
Intergovernmental payables	198,020	616,134	-	6,175	4,519,148
Due to other funds	213	185,588	-	1,151,920	28,901,787
Due to fiduciary funds	-	-	-	-	198,158
Due to component units	-	-	-	-	361,564
Deferred revenues	2,844	30,401	-	195,446	25,350,798
Total liabilities	256,301	966,901	-	4,902,582	71,305,462
Fund balances:					
Reserved for:					
Encumbrances and contracts	5,523	-	-	-	391,848
Inventories	-	-	-	204,070	1,291,003
Funds held as permanent investments	-	-	-	195,348	195,348
Other	-	-	-	28,069	9,864,379
Unreserved:					
Designated:					
Principal preservation	119,464	-	-	-	119,464
Other	-	-	-	-	157,637
Undesignated	2,885,044	29,897,590	4,779,158	4,869,286	167,512,205
Total fund balances	3,010,031	29,897,590	4,779,158	5,296,773	179,531,884
Total liabilities and fund balances	$ 3,266,332	$ 30,864,491	$ 4,779,158	$ 10,199,355	$ 250,837,346

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Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2009

	Employment Security	Regulatory	Legislative	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Revenues					
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 14,963,890	$ -
Property and transfer taxes	-	-	-	-	-
Other taxes	12,043,209	53,610	-	-	12,564,026
Intergovernmental	56,912,154	408,381	-	-	-
Licenses, fees and permits	351,479	18,768,497	248,599	-	426,100
Sales and charges for services	690,432	7,306	261,958	-	-
Interest and investment income	50,587	24,360	-	-	(46,578)
Tobacco settlement income	-	-	-	-	-
Other	1,313,247	541,546	119,399	-	-
Total revenues	71,361,108	19,803,700	629,956	14,963,890	12,943,548
Expenditures					
Current:					
General government	46,133	12,923	48,246,916	-	11,584
Health and social services	72,937,723	-	-	-	-
Education and support services	-	-	-	-	-
Law, justice and public safety	-	-	-	-	-
Regulation of business	-	22,025,491	-	-	-
Recreation, resource development	-	-	-	-	7,592,534
Intergovernmental	-	-	-	2,500,000	930,576
Capital outlay	-	-	1,598,372	-	-
Debt service:					
Principal	-	-	37,196	-	-
Interest	-	-	132,154	650	-
Debt issuance costs	-	-	-	-	-
Total expenditures	72,983,856	22,038,414	50,014,638	2,500,650	8,534,694
Excess (deficiency) of revenues over expenditures	(1,622,748)	(2,234,714)	(49,384,682)	12,463,240	4,408,854
Other Financing Sources (Uses)					
Sale of general obligation bonds	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Sale of capital assets	1,120	4,185	-	-	-
Transfers in	1,515,048	2,656,520	49,944,310	-	-
Transfers out	(882,657)	(1,912,877)	(454,410)	(15,404,732)	(927,606)
Total other financing sources (uses)	633,511	747,828	49,489,900	(15,404,732)	(927,606)
Net change in fund balances	(989,237)	(1,486,886)	105,218	(2,941,492)	3,481,248
Fund balances, July 1	18,306,553	11,072,153	8,484,652	9,382,016	3,296,229
Fund balances, June 30	$ 17,317,316	$ 9,585,267	$ 8,589,870	$ 6,440,524	$ 6,777,477

Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Contingency	Care of Sites for Radioactive Waste Disposal	Gift
$ -	$ -	$ -	$ -	$ -	$ -	$ -
27,038,631	-	-	-	-	-	-
-	15,135,857	-	-	-	-	-
-	-	-	-	-	-	-
-	8,706	-	-	-	147,157	1,128,088
-	-	14,911,203	-	-	-	4,276
(13,018)	2,823	20,389	1,024,805	-	14,081	(123,347)
-	-	-	50,061,832	-	-	-
-	11,472	32,358	2,720	82	-	80,650
27,025,613	15,158,858	14,963,950	51,089,357	82	161,238	1,089,667
18,956	664	32,426	738,172	782,686	30,807	9,377
148,566	-	-	8,655,289	-	149,369	179,083
-	-	-	-	-	-	16,849
-	-	12,467,969	-	-	-	-
-	-	-	-	-	-	-
-	13,912,247	-	-	-	-	141,608
3,299,538	-	-	27,712,595	-	-	968,868
-	-	-	-	-	-	-
-	-	45,313	-	-	-	-
-	-	1,142	-	-	-	-
-	-	-	-	-	-	-
3,467,060	13,912,911	12,546,850	37,106,056	782,686	180,176	1,315,785
23,558,553	1,245,947	2,417,100	13,983,301	(782,604)	(18,938)	(226,118)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	308,156	2,415	693,244	10,566,798	-	1,183
(25,276,608)	(4,615,509)	(1,843,084)	(74,499,728)	(2,251,682)	(4,066,339)	-
(25,276,608)	(4,307,353)	(1,840,669)	(73,806,484)	8,315,116	(4,066,339)	1,183
(1,718,055)	(3,061,406)	576,431	(59,823,183)	7,532,512	(4,085,277)	(224,935)
1,752,475	5,803,941	4,906,244	109,705,927	12,874,368	13,373,901	3,234,966
$ 34,420	$ 2,742,535	$ 5,482,675	$ 49,882,744	$ 20,406,880	$ 9,288,624	$ 3,010,031

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues				
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 14,963,890
Property and transfer taxes	-	-	-	27,038,631
Other taxes	-	-	4,820,580	44,617,282
Intergovernmental	140,884	-	1,221,377	58,682,796
Licenses, fees and permits	-	-	11,218,929	32,297,555
Sales and charges for services	-	-	803,898	16,679,073
Interest and investment income	241,724	259,056	103,698	1,558,580
Tobacco settlement income	-	-	-	50,061,832
Other	-	1,356,543	2,437,296	5,895,313
Total revenues	382,608	1,615,599	20,605,778	251,794,952
Expenditures				
Current:				
General government	112,743	1,113	17,037,224	67,081,724
Health and social services	-	-	-	82,070,030
Education and support services	-	-	721,613	738,462
Law, justice and public safety	-	-	4,115,686	16,583,655
Regulation of business	-	-	352,667	22,378,158
Recreation, resource development	1,798,247	-	-	23,444,636
Intergovernmental	9,743,538	-	-	45,155,115
Capital outlay	-	-	-	1,598,372
Debt service:				
Principal	-	-	-	82,509
Interest	-	-	-	133,946
Debt issuance costs	123,955	-	-	123,955
Total expenditures	11,778,483	1,113	22,227,190	259,390,562
Excess (deficiency) of revenues over expenditures	(11,395,875)	1,614,486	(1,621,412)	(7,595,610)
Other Financing Sources (Uses)				
Sale of general obligation bonds	12,951,137	-	-	12,951,137
Premium on general obligation bonds	129,125	-	-	129,125
Sale of capital assets	-	-	-	5,305
Transfers in	-	-	1,458,867	67,146,541
Transfers out	(701,578)	(1,783,219)	(869,899)	(135,489,928)
Total other financing sources (uses)	12,378,684	(1,783,219)	588,968	(55,257,820)
Net change in fund balances	982,809	(168,733)	(1,032,444)	(62,853,430)
Fund balances, July 1	28,914,781	4,947,891	6,329,217	242,385,314
Fund balances, June 30	$ 29,897,590	$ 4,779,158	$ 5,296,773	$ 179,531,884

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Combining Balance Sheet
Other Nonmajor Governmental Funds

June 30, 2009

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
Assets						
Cash and pooled investments:						
Cash with treasurer	$ 57,394	$18,177,528	$17,235,801	$ 111,074,419	$ 21,327,901	$ 66,158,725
Investments	-	-	-	-	-	-
Receivables:						
Intergovernmental receivables	-	-	-	-	-	-
Accrued interest and dividends	-	-	-	-	-	-
Due from other funds	182,284	-	2,352,811	3,985,717	88,708	-
Due from component units	-	-	-	-	52,466	-
Total assets	$ 239,678	$18,177,528	$19,588,612	$ 115,060,136	$ 21,469,075	$ 66,158,725
Liabilities and Fund Balances						
Accounts payable and accruals:						
Accounts payable	$ 397	$ 10,766	$ 2,292	$ 9,959	$ 46,403	$ 27,340
Intergovernmental payables	-	-	-	-	-	-
Contracts payable	100,670	2,765,724	238,362	7,791,284	2,083,440	4,868,049
Retentions payable	6,147	2,461,089	78,775	5,813,256	1,038,865	4,454,306
Due to other funds	124,385	285,755	1,782,533	1,054,390	3,619,107	1,932,770
Due to component units	-	-	-	100,338,612	-	-
Deferred revenues	-	-	-	52,635	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	231,599	5,523,334	2,101,962	115,060,136	6,787,815	11,282,465
Fund balances:						
Reserved:						
Encumbrances and contracts	14,225	5,546,658	1,376,239	-	1,362,724	24,774,665
Funds held as permanent investments	-	-	-	-	-	-
Unreserved:						
Designated for approved capital projects	-	7,107,536	16,110,411	-	13,318,536	30,101,595
Undesignated	(6,146)	-	-	-	-	-
Total fund balances	8,079	12,654,194	17,486,650	-	14,681,260	54,876,260
Total liabilities and fund balances	$ 239,678	$18,177,528	$19,588,612	$ 115,060,136	$ 21,469,075	$ 66,158,725

Capital Projects Funds				Permanent Funds		
CIP Military	CIP Wildlife	CIP Assistance to School Districts	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
$ 10,909,459	$ 330,137	$ 22,907	$ 245,294,271	$ 12,085,269	$ 51,258	$ 12,136,527
-	-	-	-	285,217,117	-	285,217,117
477,624	34,792	-	512,416	334,073	-	334,073
-	-	-	-	2,690,545	-	2,690,545
58,511	102,167	202	6,770,400	121,221	450	121,671
-	-	-	52,466	-	-	-
$ 11,445,594	$ 467,096	$ 23,109	$ 252,629,553	$ 300,448,225	$ 51,708	$ 300,499,933
$ 240	$ 25,743	$ -	$ 123,140	$ -	$ -	$ -
2,108	-	-	2,108	-	-	-
457,256	-	-	18,304,785	-	-	-
183,443	-	-	14,035,881	-	-	-
2,542,684	16,074	23,086	11,380,784	8,396,617	1,183	8,397,800
-	-	-	100,338,612	-	-	-
-	-	23	52,658	13,365	51	13,416
-	-	-	-	539,273	-	539,273
3,185,731	41,817	23,109	144,237,968	8,949,255	1,234	8,950,489
999,504	425,279	-	34,499,294	-	-	-
-	-	-	-	291,498,970	30,000	291,528,970
7,260,359	-	-	73,898,437	-	-	-
-	-	-	(6,146)	-	20,474	20,474
8,259,863	425,279	-	108,391,585	291,498,970	50,474	291,549,444
$ 11,445,594	$ 467,096	$ 23,109	$ 252,629,553	$ 300,448,225	$ 51,708	$ 300,499,933

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2009

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
Revenues						
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -
Interest and investment income	2,913	-	-	-	-	-
Land sales	-	-	-	-	-	-
Other	39,663	-	-	-	-	-
Total revenues	42,576	-	-	-	-	-
Expenditures						
Current:						
General government	-	-	-	-	-	-
Intergovernmental	-	-	-	77,845,115	-	-
Capital outlay	354,145	23,111,467	6,320,572	-	31,515,169	103,085,693
Debt service:						
Debt issuance costs	-	95,768	81,067	374,278	119,366	624,334
Total expenditures	354,145	23,207,235	6,401,639	78,219,393	31,634,535	103,710,027
Excess (deficiency) of revenues over expenditures	(311,569)	(23,207,235)	(6,401,639)	(78,219,393)	(31,634,535)	(103,710,027)
Other Financing Sources (Uses)						
Sale of general obligation bonds	-	18,787,624	15,903,665	73,413,433	23,391,051	122,518,395
Premium on general obligation bonds	-	1,229,722	1,040,956	4,805,960	1,532,734	8,016,824
Transfers in	327,288	-	2,352,811	-	1,970,494	-
Transfers out	-	(818,206)	(2,095,499)	-	(21,464,126)	(59,615,814)
Total other financing sources (uses)	327,288	19,199,140	17,201,933	78,219,393	5,430,153	70,919,405
Net change in fund balances	15,719	(4,008,095)	10,800,294	-	(26,204,382)	(32,790,622)
Fund balances, July 1	(7,640)	16,662,289	6,686,356	-	40,885,642	87,666,882
Fund balances, June 30	$ 8,079	$ 12,654,194	$ 17,486,650	$ -	$ 14,681,260	$ 54,876,260

Capital Projects Funds				Permanent Funds		
CIP Military	CIP Wildlife	CIP Assistance to School Districts	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
$ 3,371,117	$ 842,967	$ -	$ 4,214,084	$ -	$ -	$ -
-	-	398	3,311	15,188,162	176	15,188,338
-	-	-	-	663,222	-	663,222
-	-	-	39,663	6,445,403	-	6,445,403
3,371,117	842,967	398	4,257,058	22,296,787	176	22,296,963
-	-	74	74	53,068	169	53,237
-	-	-	77,845,115	-	-	-
6,409,671	4,203,505	-	175,000,222	-	-	-
19,170	-	-	1,313,983	-	-	-
6,428,841	4,203,505	74	254,159,394	53,068	169	53,237
(3,057,724)	(3,360,538)	324	(249,902,336)	22,243,719	7	22,243,726
3,760,758	-	-	257,774,926	-	-	-
246,156	-	-	16,872,352	-	-	-
1,124,714	3,195,048	-	8,970,355	-	-	-
(707,789)	-	(23,400)	(84,724,834)	(15,425,045)	(1,183)	(15,426,228)
4,423,839	3,195,048	(23,400)	198,892,799	(15,425,045)	(1,183)	(15,426,228)
1,366,115	(165,490)	(23,076)	(51,009,537)	6,818,674	(1,176)	6,817,498
6,893,748	590,769	23,076	159,401,122	284,680,296	51,650	284,731,946
$ 8,259,863	$ 425,279	$ -	$ 108,391,585	$ 291,498,970	$ 50,474	$ 291,549,444

	Final Budget	Actual	Variance
General Fund Unbudgeted Activity	$ -	$ 1,671,681	$ (1,671,681)
Constitutional Agencies			
Executive Branch			
Office of the Governor	2,657,570	2,424,462	233,108
State Fiscal Stabilization	265,710,475	139,626,106	126,084,369
Governor's Mansion Maintenance	425,305	331,237	94,068
Governor's Office of Consumer Health Assistance	1,228,748	1,052,204	176,544
Governor's Office Homeland Security	3,403,030	837,934	2,565,096
Governor's Washington Office	267,079	267,078	1
Ethics Commission	698,501	691,799	6,702
High Level Nuclear Waste	5,954,018	5,067,196	886,822
Petroleum Overcharge Rebate	208,573	20,000	188,573
Governor's Office Energy Conservation	1,085,030	698,442	386,588
Lieutenant Governor	658,530	625,520	33,010
Attorney General Administrative Account	26,286,144	24,434,415	1,851,729
Attorney General Extradition Coordinator	785,708	762,949	22,759
Attorney General Special Fund	5,165,630	2,251,648	2,913,982
Attorney General Workers' Compensation Fraud	4,660,523	3,539,185	1,121,338
Attorney General Crime Prevention	292,056	284,946	7,110
Attorney General Medicaid Fraud	4,556,006	1,747,432	2,808,574
Attorney General Violence Against Women Grants	2,693,655	1,462,467	1,231,188
Attorney General Council For Prosecuting Attorneys	306,803	218,823	87,980
Attorney General Victims of Domestic Violence	256,414	148,927	107,487
Private Investigators Licensing Board	1,151,248	698,545	452,703
Attorney General High Tech Crime	901,352	657,098	244,254
Secretary of State	11,036,094	9,926,942	1,109,152
Secretary of State HAVA Election Reform	7,899,094	915,633	6,983,461
Secretary of State Investigations and Enforcements	4,664,968	3,956,791	708,177
Special Services - Secretary of State	5,217,979	3,599,367	1,618,612
Secretary of State Advisory Committee Gift	55	-	55
Notary Training	327,498	145,249	182,249
State Treasurer	2,593,046	2,379,408	213,638
Silicosis and Disabled Pensions	3,936,232	3,566,085	370,147
College Savings Private Entity	200,000	16,752	183,248
Unclaimed Property	1,349,385	1,267,822	81,563
Controller's Office	4,580,836	4,295,601	285,235
Judicial Branch			
Administrative Office of the Courts	4,761,062	3,122,565	1,638,497
Divison of Planning and Analysis	1,526,578	1,288,293	238,285
Uniform System of Judicial Records	3,341,364	2,217,790	1,123,574
Judicial Education	2,793,442	1,214,660	1,578,782
District Judges' Salary	14,759,534	14,750,366	9,168
Judicial Travel and Support	669,022	256,133	412,889
District Judge/Surviving Spouse Pension	1,726,900	1,726,900	-
Supreme Court	14,464,922	14,201,594	263,328
Specialty Court	8,043,249	5,852,960	2,190,289
Senior Justice and Senior Judge Program	2,050,452	1,996,108	54,344
Judicial Selection	18,216	16,768	1,448
Legislative Counsel Bureau Disbursement	9,549,145	7,441,784	2,107,361
Law Library Gift Fund	67,405	6,238	61,167
Law Library	1,746,696	1,746,268	428
Judicial Discipline	618,862	607,186	11,676
	437,294,434	274,363,676	162,930,758
Finance and Administration			
Administration			
Construction Education Account	735,037	430,412	304,625
Deferred Compensation Committee	442,437	321,014	121,423
Commission For Women	1,504	-	1,504

	Final Budget	Actual	Variance
Special Appropriations	$ 74,533	$ 74,533	$ -
Judicial College/Juvenile and Family Justice	375,000	375,000	-
Information Technology Division	1,025,841	946,908	78,933
Information Technology Projects	10,822,249	7,346,853	3,475,396
Budget and Planning	4,276,019	4,142,494	133,525
Division of Internal Audits	2,385,812	2,331,650	54,162
Graffiti Reward Fund	9,036	-	9,036
Merit Award Board	5,000	775	4,225
Controlled Substance Grants	8,796	-	8,796
Clear Creek Youth Center	6,007	1,769	4,238
Commodity Food Program	9,253,300	7,219,316	2,033,984
Roof Maintenance Reserve	913,386	48,145	865,241
Public Works Administration	1,091,375	1,081,542	9,833
School Plan Checking	658,586	142,837	515,749
Administration - Hearings Division	4,850,679	4,536,167	314,512
Stale Claims	1,666,921	1,666,921	-
Emergency Fund	426,356	116,775	309,581
Statutory Contingency	2,173,709	1,649,820	523,889
Taxation			
Department of Taxation	33,451,199	32,561,760	889,439
Personnel			
State Unemployment Compensation	2,609,331	2,026,531	582,800
	77,262,113	67,021,222	10,240,891
Education			
Education			
Drug Abuse Education	1,797,173	1,197,265	599,908
Student Incentive Grants	534,833	526,117	8,716
Distributive School Account	1,590,916,677	1,571,175,611	19,741,066
School Health Education - AIDS	503,318	292,007	211,311
School Remediation	105,688,847	101,880,988	3,807,859
Education State Programs	3,565,299	3,479,163	86,136
Educational Trust Fund	200,000	-	200,000
Career and Technical Education	10,280,152	9,166,632	1,113,520
Gear Up	3,583,919	1,911,797	1,672,122
Gear Up Scholarship Trust	10,573,711	429,280	10,144,431
Continuing Education	5,078,145	4,918,853	159,292
Proficiency Testing	5,375,529	5,191,058	184,471
Other State Education Programs	29,267,358	25,411,296	3,856,062
Education Technology Trust	20,419	-	20,419
Teacher Education and Licensing	2,250,843	1,488,215	762,628
Discretionary Grants - Unrestricted	5,354,620	1,566,250	3,788,370
Discretionary Grants - Restricted	19,933,653	13,907,546	6,026,107
Elementary and Secondary Ed - Title I	116,243,617	99,760,507	16,483,110
Elementary and Secondary Ed Titles II, V & VI	35,808,993	25,681,939	10,127,054
Individuals with Disabilities (IDEA)	83,408,226	62,591,209	20,817,017
Education Staffing Services	573,029	384,118	188,911
Education Support Services	2,992,667	2,608,363	384,304
Incentives for Licensed Educational Personnel	36,384,286	4,976,339	31,407,947
Nutrition Education Programs	94,784,463	80,956,218	13,828,245
Commission on Postsecondary Education	517,359	469,167	48,192
Student Indemnification Account	273,060	-	273,060
Cultural Affairs			
Cultural Affairs Administration	1,078,531	1,058,487	20,044
Lost City Museum	575,058	494,126	80,932
LV Springs Preserve Museum Dev	16,522,021	12,517,937	4,004,084
Nevada Historical Society	1,035,573	945,668	89,905
State Museum, Carson City	2,111,128	2,064,594	46,534
Museums And History	472,786	469,714	3,072

	Final Budget	Actual	Variance
Museum and Historical Society - Las Vegas	$ 1,784,719	$ 1,582,282	$ 202,437
State Railroad Museums	2,655,615	1,914,449	741,166
Archives and Records	1,173,703	1,171,784	1,919
Micrographics and Imaging	655,723	453,706	202,017
Nevada State Library	7,445,729	6,967,306	478,423
Nevada State Library-Literacy	267,134	259,216	7,918
Nevada Humanities	100,000	100,000	-
Nevada State Library - CLAN	558,486	301,777	256,709
Nevada Arts Council	3,077,304	2,837,301	240,003
Cultural Resource Program	4,953,546	2,190,018	2,763,528
Historic Preservation	2,040,654	1,438,321	602,333
Comstock Historic District	170,713	168,692	2,021
Comstock Historical District Gifts	130,587	-	130,587
Nevada System of Higher Education			
Special Projects	4,829,142	2,589,173	2,239,969
Education for Dependent Children	35,877	21,402	14,475
University of Nevada - Reno	198,081,278	195,221,737	2,859,541
School of Medical Sciences	47,702,622	47,681,387	21,235
Intercollegiate Athletics UNR	7,048,921	7,048,367	554
Statewide Programs - UNR	8,869,348	8,869,348	-
University System Administration	5,959,839	5,848,485	111,354
University of Nevada Las Vegas	270,635,466	268,039,991	2,595,475
Intercollegiate Athletics UNLV	9,240,670	9,240,670	-
Agricultural Experiment Station	10,928,650	10,928,650	-
Cooperative Extension Service	11,796,361	11,795,094	1,267
System Computing Center	23,162,289	23,154,255	8,034
UNLV Law School	13,248,689	13,203,365	45,324
National Direct Student Loan Program	50,904	50,904	-
University Press	948,657	942,941	5,716
Anatomical Gift	467,714	40,000	427,714
Statewide Programs - UNLV	1,527,440	1,527,440	-
UNLV Dental School	14,108,028	14,045,371	62,657
Business Center North	2,674,088	2,674,088	-
Business Center South	2,279,771	2,279,771	-
Collegiate License Plate Account	300,355	213,033	87,322
Nevada State College at Henderson	21,526,656	20,696,589	830,067
Community College of Southern Nevada	138,188,146	136,809,435	1,378,711
Laboratory and Research	2,128,042	2,128,042	-
Great Basin College	20,397,727	20,357,673	40,054
Desert Research Institute	11,142,712	10,454,956	687,756
Western Nevada Community College	25,525,571	25,412,746	112,825
Truckee Meadows Community College	53,606,931	53,276,526	330,405
WICHE Program			
WICHE Administration	422,146	402,312	19,834
	3,119,553,246	2,951,859,067	167,694,179
Human Resources			
Health and Human Services			
Administration	4,284,527	4,074,731	209,796
Grants Management Unit	44,500,986	35,551,413	8,949,573
Problem Gambling	2,183,099	1,609,600	573,499
State and Community Collaboration	740,878	735,707	5,171
Developmental Disabilities	849,743	606,218	243,525
Community Based Services	13,278,750	11,526,209	1,752,541
Family to Family Connections	5,515,510	4,625,258	890,252
Aging Services			
Senior Sevices Program	11,602,795	9,227,659	2,375,136
Aging Older Americans Act	20,839,432	15,390,649	5,448,783
Senior Citizens' Property Tax Assistance	5,439,534	5,388,958	50,576

	Final Budget	Actual	Variance
EPS/Homemaker Programs	$ 3,660,186	$ 3,616,433	$ 43,753
Health Care Financing and Policy			
Intergovernmental Transfer Program	91,795,083	91,201,985	593,098
Administration	24,251,777	20,971,541	3,280,236
HIFA Holding Account	681,199	448,581	232,618
Increased Quality of Nursing Care	25,905,385	25,004,971	900,414
Nevada Check-Up Program	43,721,869	37,946,775	5,775,094
Nevada Medicaid, Title XIX	1,502,991,128	1,469,152,865	33,838,263
HIFA Medical	3,029,140	1,260,857	1,768,283
Health			
Radiological Health	4,013,800	2,478,045	1,535,755
Cancer Control Registry	1,058,688	633,413	425,275
Alcoholism and Drug Rehabilitation	36,853,728	30,415,727	6,438,001
Vital Statistics	1,673,792	1,575,712	98,080
Consumer Health Protection	3,380,504	2,285,954	1,094,550
Office of Minority Health	284,787	227,866	56,921
Early Intervention Services	21,503,862	20,428,406	1,075,456
Immunization Program	6,435,593	4,642,894	1,792,699
WIC Food Supplement	55,741,039	55,287,963	453,076
Sexually Transmitted Disease Control	16,221,355	15,376,843	844,512
Health Facilities Hospital Licensing	12,615,229	7,650,795	4,964,434
Health Facilities-Admin Penalty	364,473	46,255	318,218
Public Health Preparedness Program	15,659,742	13,221,287	2,438,455
Communicable Disease Control	6,036,064	5,390,943	645,121
Maternal Child Health Services	8,246,596	7,011,887	1,234,709
Office of Health Administration	5,277,167	4,018,155	1,259,012
Community Health Services	4,589,306	3,746,067	843,239
Emergency Medical Services	1,175,469	947,769	227,700
Welfare			
Welfare Administration	30,408,241	27,696,844	2,711,397
Health Special Appropriations	67,323	46,960	20,363
Temp Assistance for Needy Families	58,204,619	56,403,116	1,801,503
Assistance to Aged and Blind	7,281,468	7,256,000	25,468
Welfare Field Services	68,567,082	65,069,143	3,497,939
Child Support Enforcement Program	15,952,081	11,127,647	4,824,434
Child Support Federal Reimbursement	27,665,607	21,045,868	6,619,739
Child Assistance and Development	54,748,959	44,561,728	10,187,231
Energy Assistance Program	27,495,336	19,631,246	7,864,090
Mental Health and Developmental Services			
Southern Food Service	2,083,320	1,941,483	141,837
So NV Adult Mental Health Services	116,195,839	110,201,296	5,994,543
No NV Adult Mental Health Services	43,707,814	39,634,046	4,073,768
Mental Health Information System	2,171,028	1,965,355	205,673
Family Preservation Program	2,319,305	2,214,828	104,477
Rural Regional Center	18,425,656	16,899,713	1,525,943
MHDS Administration	8,918,270	7,961,645	956,625
Desert Regional Center	90,063,091	84,679,889	5,383,202
Sierra Regional Center	39,010,770	35,958,486	3,052,284
Facility for the Mental Offender	10,942,530	10,153,259	789,271
Alcohol Tax Program	1,292,023	1,045,616	246,407
Rural Clinics	18,029,410	15,988,660	2,040,750
Child and Family Services			
Community Juvenile Justice Programs	3,949,025	2,764,777	1,184,248
Washoe County Integration	28,898,704	27,015,306	1,883,398
Clark County Integration	78,657,099	73,001,471	5,655,628
UNITY/SACWIS	6,306,132	5,957,005	349,127
Children, Youth and Family Administration	24,603,204	19,563,288	5,039,916
Youth Alternative Placement	3,702,597	3,702,597	-
Juvenile Correctional Facility	7,892,031	6,650,509	1,241,522

	Final Budget	Actual	Variance
Child Care Services	$ 1,138,140	$ 874,799	$ 263,341
Caliente Youth Center	8,290,852	8,198,242	92,610
Victims of Domestic Violence	3,866,705	2,808,520	1,058,185
Childrens Trust Account	1,560,146	1,022,555	537,591
Rural Child Welfare	21,769,649	19,139,276	2,630,373
Review of Death of Children	277,773	123,458	154,315
Nevada Youth Training Center	10,939,601	10,441,671	497,930
Youth Parole Services	6,379,699	5,285,038	1,094,661
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	8,165,017	7,154,347	1,010,670
So NV Child and Adolescent Services	24,748,384	23,557,279	1,191,105
Employment, Training and Rehabilitation			
Blind Business Enterprise Program	5,316,994	1,940,234	3,376,760
Services to the Blind	5,523,207	5,055,927	467,280
Client Assistance Program	214,238	180,556	33,682
Vocational Rehabilitation	19,082,509	17,707,889	1,374,620
Rehabilitation Administration	1,098,238	862,052	236,186
Disability Adjudication	13,924,589	12,602,932	1,321,657
Equal Rights Commission	1,843,828	1,771,220	72,608
Administration	4,516,632	4,288,400	228,232
Research and Analysis	3,951,058	3,494,501	456,557
Information Development and Processing	8,197,487	7,630,940	566,547
Other Human Services			
Public Defender	2,641,187	2,376,209	264,978
Indian Affairs Commission	208,205	206,490	1,715
	2,957,626,567	2,770,586,707	187,039,860
Commerce and Industry			
Economic Development and Tourism			
Economic Development and Diversification	2,286,313	2,261,418	24,895
Commission on Economic Development	6,530,477	6,128,060	402,417
Nevada Film Office	1,067,308	882,135	185,173
Rural Community Development	4,425,507	3,764,656	660,851
Procurement Outreach Program	571,993	544,227	27,766
Minerals			
Minerals	3,842,208	2,295,700	1,546,508
Bond Reclamation	6,364,974	440,600	5,924,374
Agriculture			
Nevada Beef Council	267,489	250,599	16,890
Gas Pollution Standards	792,634	414,267	378,367
Weed Abatement and Control	234,258	73,146	161,112
Plant Industry	2,355,203	2,058,459	296,744
Grade and Certification of Ag Products	175,449	75,219	100,230
Garlic and Onion Research Promotion	121,743	22,755	98,988
Agricultural Registration/Enforcement	3,164,667	1,423,142	1,741,525
Livestock Inspection	1,796,400	1,125,135	671,265
Marijuana Health Registry	261,712	104,836	156,876
USDA CCC	216,221	66,287	149,934
Agriculture License Plates	20,375	18,100	2,275
Veterinary Medical Services	1,652,290	1,264,470	387,820
Weights and Measures	2,085,681	1,802,091	283,590
Noxious Weed and Insect Control	6,127,818	492,272	5,635,546
Agriculture Administration	1,775,332	1,580,437	194,895
Rangeland Resources Commission	290,252	164,613	125,639
Morman Cricket and Grasshoppers	1,353,117	301,718	1,051,399
Predatory Animal and Rodent Control	1,280,761	1,226,232	54,529
Nevada Jr Livestock Show Board	35,831	34,855	976
Gaming Control			
Gaming Control Board	48,720,873	46,912,822	1,808,051

	Final Budget	Actual	Variance
Gaming Control Federal Forfeiture	$ 605,407	$ 14,818	$ 590,589
Gaming Control - Forfeiture Account	575,644	19,717	555,927
Gaming Control - Other State Forfeiture	505,189	-	505,189
Federal Forfeiture Treasury	918,336	-	918,336
Gaming Commission	426,500	404,240	22,260
Business and Industry			
Business and Industry Administration	1,322,314	1,255,746	66,568
Industrial Development Bonds	1,515,007	961,167	553,840
Insurance Regulation	8,194,296	7,825,480	368,816
Captive Insurers	1,745,380	1,042,562	702,818
Insurance Recovery	664,726	557,680	107,046
Insurance Education and Research	1,643,267	806,519	836,748
Nat. Assoc. of Insurance Commissioners	66,585	36,261	30,324
Insurance Cost Stabilization	412,450	180,173	232,277
Consumer Affairs Restitution	60,507	21,757	38,750
Consumer Affairs Recovery Acct	304,949	273,773	31,176
Consumer Affairs	1,752,068	1,639,449	112,619
Special Housing Assistance	24,346,930	825,783	23,521,147
Low Income Housing Trust Fund	39,016,062	14,712,958	24,303,104
Weatherization	9,744,023	5,012,140	4,731,883
Renewable Energy and Energy Efficiency Authority	250,000	-	250,000
Employee Management Relations Board	230,893	230,799	94
Common Interest Communities	4,528,276	1,628,878	2,899,398
Real Estate Administration	4,081,834	3,272,220	809,614
Athletic Commission	1,044,446	849,379	195,067
Labor Commissioner	1,625,791	1,595,824	29,967
Division of Mortgage Lending	12,656,830	6,846,155	5,810,675
Attorney for Injured Workers	3,538,471	3,246,663	291,808
Financial Institutions Investigations	874,508	539,964	334,544
Financial Institutions	7,065,330	2,719,339	4,345,991
Financial Institutions Audit	489,494	59,044	430,450
	228,022,399	132,306,739	95,715,660
Public Safety			
Corrections			
Prison Medical Care	48,194,247	48,194,012	235
Director's Office	21,665,038	21,415,892	249,146
Correctional Programs	8,109,559	7,587,452	522,107
So Nevada Correctional Center	9,389,755	9,381,743	8,012
Warm Springs Correctional Center	9,143,563	9,127,152	16,411
No Nevada Correctional Center	27,200,116	27,196,002	4,114
Nevada State Prison	19,237,304	18,951,986	285,318
Stewart Conservation Camp	1,988,772	1,977,142	11,630
Pioche Conservation Camp	1,709,072	1,679,021	30,051
Northern Nevada Restitution Center	1,176,176	1,150,931	25,245
Indian Springs Conservation Camp	2,559,775	2,523,448	36,327
Southern Desert Correctional Center	23,451,103	23,020,049	431,054
Wells Conservation Camp	1,270,975	1,264,166	6,809
Humboldt Conservation Camp	1,838,073	1,767,500	70,573
Ely Conservation Camp	1,434,505	1,421,711	12,794
Jean Conservation Camp	1,649,276	1,603,517	45,759
Silver Springs Conservation Camp	1,294,244	1,290,860	3,384
Ely State Prison	30,343,526	30,241,155	102,371
Carlin Conservation Camp	1,397,972	1,297,175	100,797
Tonopah Conservation Camp	1,173,018	1,148,163	24,855
Lovelock Correctional Center	25,504,710	25,464,284	40,426
Southern Nevada Women's Correctional Center	15,130,289	14,816,550	313,739
High Desert State Prison	47,337,096	46,505,597	831,499
Casa Grande Transitional Housing	4,771,891	4,717,771	54,120

	Final Budget	Actual	Variance
Public Safety			
Emergency Management Division	$ 8,439,210	$ 5,972,078	$ 2,467,132
Emergency Mgmt Assistance Grant	95,684,933	23,813,987	71,870,946
Parole and Probation	51,899,385	48,669,522	3,229,863
Division of Investigations	7,517,523	6,281,313	1,236,210
Narcotics Control	3,574,136	3,364,741	209,395
Parolee Loan Account	765	-	765
Training Division	1,761,193	1,578,643	182,550
Parole Board	2,635,164	2,440,577	194,587
Fire Marshal	3,962,787	3,258,109	704,678
Traffic Safety	14,505,882	4,919,577	9,586,305
Highway Safety Plan and Administration	4,083,523	2,082,381	2,001,142
K-9 Program	557,108	342,995	214,113
Forfeitures	2,681,501	2,302,740	378,761
Justice Assistance Account	5,678,376	1,938,770	3,739,606
Justice Assistance Grant	16,388,517	1,533,770	14,854,747
Criminal History Repository	24,860,233	17,433,774	7,426,459
Child Volunteer Background Checks Trust	25,000	24,492	508
Contingency Account for Haz Mat	961,133	433,069	528,064
Home Disaster Assistance	4,276,938	3,794,948	481,990
Public Safety, One Shots	3,124,398	1,977,442	1,146,956
Justice Grant	493,368	435,960	57,408
Dignitary Protection	1,115,158	1,022,991	92,167
Peace Officers Standards and Training			
Peace Officers Standards and Training	4,364,420	3,029,968	1,334,452
Motor Vehicles			
Motor Vehicle Pollution Control	11,704,142	9,962,336	1,741,806
	577,264,848	450,357,462	126,907,386
Infrastructure			
Wildlife			
Wildlife Administration	32,784,010	26,539,043	6,244,967
Wildlife Trout Stamp Program	5,218,450	1,573,539	3,644,911
Wildlife Boating Program	7,166,416	5,329,059	1,837,357
Wildlife Heritage	6,518,140	546,436	5,971,704
Wildlife Obligated Reserve	5,120,760	2,122,205	2,998,555
Wildlife Habitat Mitigation	622,266	-	622,266
Conservation and Natural Resources			
State Environmental Commission	69,649	27,389	42,260
Administration	1,252,799	1,174,610	78,189
Water Resources Legal Cost	1,274,926	162,356	1,112,570
Tahoe Regional Planning Agency	10,485,176	1,956,652	8,528,524
Division of Conservation Districts	541,538	507,798	33,740
Parks Federal Grant Programs	7,232,404	1,872,993	5,359,411
State Parks	14,818,741	12,506,440	2,312,301
Maintenance of State Parks	1,918,030	506,806	1,411,224
State Parks Facility and Grounds Maintenance	14,930,000	-	14,930,000
Coyote Srings Groundwater Basin	39,656	491	39,165
Flood Control Revenue Fund	252,517	-	252,517
USGS Co-Op	859,920	484,154	375,766
Groundwater Recharge Projects	326,235	17,957	308,278
Water Right Surveyors	54,009	2,169	51,840
Water Rights Support Fund	349,375	146,428	202,947
Well Driller's Licenses	59,216	15,952	43,264
Water Resources	7,104,116	6,621,664	482,452
State Engineer Revenue	242,779	80,547	162,232
Little Humboldt River	211,135	49,400	161,735
Quinn River Distribution	39,998	1,992	38,006
Adjudication Emergency	16,000	2,256	13,744

	Final Budget	Actual	Variance
Steptoe Valley Water Basin	$ 8,480	$ 1,744	$ 6,736
Diamond Valley Ground Water	19,614	2,287	17,327
Dixie Creek/10 Mi Ground Water	18,000	-	18,000
Churchill Valley Ground Water	5,990	410	5,580
Colorado River Valley	23,762	4,999	18,763
Washoe Valley Ground Water	6,270	4,267	2,003
Amargosa Valley Ground Water	5,500	-	5,500
Las Vegas Basin Water District	3,290,471	818,802	2,471,669
Muddy River Surface Water	30,334	8,603	21,731
Flood Repairs and Disaster Relief	50,000	-	50,000
Channel Clearance	297,422	276,237	21,185
Pahranagat Lake	55,791	37,565	18,226
Pahrump Artesian Basin	91,032	13,451	77,581
Boulder Flat Ground Water	92,238	6,144	86,094
Dayton Valley Ground Water	10,991	5,857	5,134
Mason Valley Ground Water	84,991	10,462	74,529
Humboldt Water District	359,919	174,741	185,178
Water District Revenue Fund	30,000	-	30,000
Smith Valley Artesian Basin	40,343	12,535	27,808
Currant Creek	5,252	1	5,251
Duckwater Creek	22,835	10,027	12,808
Paradise Valley Ground Water	35,456	5,339	30,117
Upper White River	14,985	2	14,983
Muddy River Springs	21,728	1,353	20,375
Kingston Creek	6,685	363	6,322
Warm Springs/Winnemucca Creek	20,113	4,540	15,573
Eagle Valley	56,640	21,361	35,279
Carson Valley Ground Water	49,457	15,577	33,880
Fish Lake Valley Artesian	12,774	844	11,930
Carico Creek	443	-	443
Lemmon Valley	74,711	16,354	58,357
Truckee Meadows/Sun Valley	112,284	48,366	63,918
Antelope Middle Reese River	45,367	2,712	42,655
Warm Springs Ground Water	33,960	4,858	29,102
Lower Moapa Valley Groundwater	4,288	-	4,288
Honey Lake Valley	11,807	14	11,793
Whirlwind Valley	14,489	115	14,374
Crescent Water Groundwater	24,925	77	24,848
Pumpernickel Valley	34	-	34
Clovers Area Groundwater	44,009	2,934	41,075
Cold Springs Valley	20,757	1,023	19,734
Imlay Ground Water	27,138	3,470	23,668
Kelly Creek Ground Water	36,817	5,164	31,653
Lower Reese River Valley	52,077	5,038	47,039
Maggie Creek	54,160	5,622	48,538
North Fork Ground Water	19,985	1,923	18,062
Pleasant Valley	5,507	867	4,640
Forestry	15,241,094	10,179,725	5,061,369
Forest Fire Suppression/Emergency Response	7,933,026	2,382,123	5,550,903
Forestry Honor Camps	9,857,597	9,059,995	797,602
Forestry Inter-Gov Agreements	4,099,944	3,588,497	511,447
Tahoe License Plates	2,237,078	674,719	1,562,359
Mt. Charleston License Plates	383,494	5,120	378,374
Nevada Tahoe Regional Planning Agency	1,796	1,179	617
State Lands	2,110,211	1,928,100	182,111
State Lands Revolving Account	67,998	19,526	48,472
Tahoe Bond Sale	795,825	36,571	759,254
Tahoe Mitigation	2,440,827	46,833	2,393,994
Nevada Natural Heritage	1,497,332	802,724	694,608

	Final Budget	Actual	Variance
AB9/Q1 Bonds	$ 55,303,888	$ 23,612,548	$ 31,691,340
Storage Tank Management	331,187	14,067	317,120
Environmental Protection Administration	5,100,556	3,376,980	1,723,576
Chemical Hazard Prevention	1,129,013	386,583	742,430
Reclamation Surety Account	2,271,405	-	2,271,405
Air Quality Management Account	8,744,337	2,101,153	6,643,184
Air Quality	10,346,524	5,470,163	4,876,361
Water Pollution Control	6,925,579	3,711,720	3,213,859
Water Quality Planning	8,828,977	4,241,868	4,587,109
Safe Drinking Water Regulatory Program	3,582,701	2,464,385	1,118,316
Waste Management and Federal Facilities	20,100,593	11,244,781	8,855,812
Mining Regulation/Reclamation	5,032,396	2,328,294	2,704,102
Interim Fluid Management Trust	1,301,853	-	1,301,853
Hazardous Waste Management	24,947,435	5,630,663	19,316,772
Hazardous Waste - Beatty Site	11,255,806	-	11,255,806
Water Planning - Capital Improvement	263,799	184,302	79,497
Infrastructure			
AB544 Highway Projects	41,040,050	40,689,129	350,921
	378,030,413	197,966,132	180,064,281
Special Purpose Agencies			
Veterans' Affairs			
Commissioner for Veterans' Affairs	2,799,662	2,710,484	89,178
Veterans' Home Account	17,173,834	16,500,999	672,835
Veterans' Gifts and Donations	264,200	160,553	103,647
Veterans' Home Donation	61,812	56,993	4,819
Gift Account for Veterans	756,206	420,268	335,938
Office of Military			
Military	20,025,994	16,103,733	3,922,261
Adjutant General Construction	35,408	-	35,408
National Guard Benefits	56,250	51,000	5,250
Patriot Relief Account	956,792	219,545	737,247
Civil Air Patrol	61,679	30,312	31,367
	42,191,837	36,253,887	5,937,950
Appropriated Transfers to Other Funds			
Legislative Fund	49,610,669	49,610,669	-
Contingency Fund	19,876,746	19,876,746	-
Attorney General Fund - Consumer Advocate	1,528,250	1,528,250	-
Stabilize the Operations of State Government	253,006	253,006	-
Highway Fund	49,928	49,928	-
Healthy Nevada Fund	388,726	388,726	-
WICHE Loan and Stipend Fund	700,048	700,048	-
	72,407,373	72,407,373	-
Reversions to Other Funds			
Reversion to Highway Fund	-	4,686,435	(4,686,435)
Reversion to Stabilization Fund	-	57,217	(57,217)
Reversion to Workers' Comp and Safety Fund	-	1,315,528	(1,315,528)
Reversion to Consolidated Bond Interest and Redemption Fund	-	40,500	(40,500)
Reversion to Attorney General Special Fund	-	116,555	(116,555)
Reversion to Legislative Fund	-	18,113	(18,113)
Reversion to Contingency Fund	-	2,304,012	(2,304,012)
	-	8,538,360	(8,538,360)
Projected Reversions	(95,000,000)	-	(95,000,000)
Total General Fund	$ 7,794,653,230	$ 6,963,332,306	$ 831,320,924

	Final Budget	Actual	Variance
State Highway			
Finance and Administration			
Unbudgeted Activity	$ -	$ 248,702	$ (248,702)
Appropriations to Other Funds	6,602,831	6,602,831	-
Infrastructure			
Transportation Administration	623,884,389	591,973,601	31,910,788
Bond Construction	191,001,665	170,375,935	20,625,730
AB595 Revenue Rental Car Tax	8,083,360	-	8,083,360
Aviation Trust Fund	190,346	112,083	78,263
AB 595 Revenue Clark Co.	66,757,500	8,746,709	58,010,791
AB 595 Revenue Washoe Co.	1,035,000	849,874	185,126
System of Providing Information to the Traveling Public	479,955	324,444	155,511
Public Safety			
Bicycle Safety Program	338,490	109,105	229,385
Motorcycle Safety Program	951,120	466,351	484,769
Director's Office - Public Safety	1,278,475	1,275,657	2,818
Internal Affairs	611,582	526,659	84,923
Records Search	12,025,125	10,010,861	2,014,264
Highway Patrol	73,954,550	68,378,009	5,576,541
Administrative Services	2,055,649	1,877,188	178,461
DMV Motor Vehicle Information Technology	11,168,445	9,321,971	1,846,474
Motor Carrier	4,808,651	4,287,047	521,604
PS Highway Safety Grants Account	1,733,063	1,418,389	314,674
Emergency Response Commission	2,702,047	1,409,260	1,292,787
Verification of Insurance	17,650,744	16,790,184	860,560
Hearings - DMV and PS	1,262,431	1,174,641	87,790
Public Safety Technology Division	6,566,213	5,759,408	806,805
DMV Field Services	48,441,148	42,170,751	6,270,397
Compliance Enforcement	5,250,355	4,853,476	396,879
Central Services	15,415,082	12,051,631	3,363,451
Management Services	1,509,147	1,438,810	70,337
Director's Office - DMV	6,199,544	4,725,506	1,474,038
DMV Real ID	3,595,289	964,357	2,630,932
Administrative Services	11,697,887	10,337,795	1,360,092
Debt Service Transfers			
Debt Service	88,995,881	88,995,881	-
Total	1,216,245,964	1,067,577,116	148,668,848
Municipal Bond Bank			
Constitutional Agencies			
Municipal Bond Bank Revenue	69,581,290	30,187,275	39,394,015
Total	69,581,290	30,187,275	39,394,015
Stabilize the Operations of State Government			
Public Safety			
Emergency Assistance	1,037,750	634,757	402,993
Constitutional Agencies			
Disaster Relief	10,534,678	4,314,892	6,219,786
Stabilization of State Government	72,000,000	72,000,000	-
Total	83,572,428	76,949,649	6,622,779
Employment Security			
Human Services			
Claimant Employment Program	22,884,084	13,408,456	9,475,628
Employment Security	69,499,808	58,357,393	11,142,415
Employment Security Special Fund	12,181,296	3,171,856	9,009,440
Total	104,565,188	74,937,705	29,627,483
Regulatory			
Commerce and Industry			
Manufactured Housing	3,008,510	1,195,350	1,813,160
Real Estate Education and Research	2,435,837	605,694	1,830,143
Real Estate Recovery	1,212,513	430,000	782,513

	Final Budget	Actual	Variance
Mobile Home Parks	$ 359,638	$ 187,188	$ 172,450
Mfg Housing-Education/Recovery	750,710	643,443	107,267
Regulatory Fund	14,262,680	10,783,513	3,479,167
Administrative Fines	100,000	22,050	77,950
Transportation Services Authority	2,897,253	2,766,437	130,816
TSA Administrative Fines	384,233	159,781	224,452
Taxicab Authority	8,969,003	6,268,681	2,700,322
Dairy Commission	1,901,718	1,296,480	605,238
Total	36,282,095	24,358,617	11,923,478
Legislative			
Constitutional Agencies			
Nevada Legislative Interim	651,325	576,135	75,190
Legislative Counsel Bureau	57,547,425	51,795,915	5,751,510
Audit Contingency Account	323,700	323,700	-
Total	58,522,450	52,695,750	5,826,700
Higher Education Capital Construction			
Finance and Administration			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	12,905,381	12,905,381	-
Total	17,905,381	17,905,381	-
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	17,909,409	9,450,717	8,458,692
Total	17,909,409	9,450,717	8,458,692
Hospital Care to Indigent Persons			
Finance and Administration			
Supplemental Fund - Indigents	30,184,011	29,076,220	1,107,791
Total	30,184,011	29,076,220	1,107,791
Tourism Promotion			
Commerce and Industry			
Tourism Development	364,668	300,879	63,789
Commission on Tourism	21,100,774	18,406,648	2,694,126
Total	21,465,442	18,707,527	2,757,915
Offenders’ Store			
Public Safety			
Offenders' Store Fund	18,427,434	14,102,548	4,324,886
Inmate Welfare Account	4,888,595	3,774,770	1,113,825
Total	23,316,029	17,877,318	5,438,711
Tobacco Settlement			
Constitutional Agencies			
Millennium Scholarship Fund	55,870,881	31,237,830	24,633,051
Millennium Scholarship Administration	457,797	378,917	78,880
Trust Fund for Healthy Nevada	64,416,565	36,446,274	27,970,291
Trust Fund for Public Health	44,079,191	42,929,139	1,150,052
Human Services			
Healthy Nevada Fund	9,382,979	5,565,074	3,817,905
Public Health Tobacco Fund	1,866,789	1,701,673	165,116
Healthy Nevada Fund Administration	15,879,533	11,965,913	3,913,620
Total	191,953,735	130,224,820	61,728,915
Contingency			
Constitutional Agencies			
Interim Finance Committee	33,013,433	14,824,829	18,188,604
Total	33,013,433	14,824,829	18,188,604
Care of Sites for Radioactive Waste Disposal			
Human Services			
Radioactive Material Disposal	13,818,215	4,191,301	9,626,914
Total	13,818,215	4,191,301	9,626,914

	Final Budget	Actual	Variance
Gift			
Education			
Education Gift Fund	$ 15,670	$ -	$ 15,670
Library and Archives Gift Fund	95,784	22,372	73,412
Human Services			
RRC Gift Fund	13,975	-	13,975
SNAMHS Gift Fund	22,769	6,239	16,530
Settlement Funds	126,093	44,181	81,912
Health Division Gifts	21,089	446	20,643
Transition from Foster Care	2,572,751	1,026,244	1,546,507
Aging Services Gift	330,783	22,966	307,817
Summit View Commissary	20,044	2,743	17,301
Disability Services Gift	2,037	823	1,214
CBS Washoe Gift Fund	14,455	-	14,455
Indian Commission Gift Acct	10,186	5,044	5,142
Hospital Gift Fund	294,958	6,966	287,992
NNMRS Gift Fund	9,650	-	9,650
Blind Gift Fund	147,359	-	147,359
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	5,669	-	5,669
Henry Woods Christmas Fund	8,510	2,510	6,000
Nevada Children's Gift Account	606,937	32,463	574,474
CYC Gift Fund	7,347	1,158	6,189
Youth Training Center Gift Fund	35,446	-	35,446
People with Disabilities	42,910	550	42,360
DRC Gift Fund	14,362	2,228	12,134
Infrastructure			
Heil Wild Horse Bequest	228,126	104,550	123,576
Park Gift and Grants	239,621	37,534	202,087
Total	4,896,418	1,319,017	3,577,401
Natural Resources			
Infrastructure			
Grants To Water Purveyors	24,583,005	9,946,520	14,636,485
Erosion Control Bond Q12	1,000,349	429,950	570,399
Protect Lake Tahoe	17,828,348	1,866,894	15,961,454
Total	43,411,702	12,243,364	31,168,338
Miscellaneous			
Constitutional Agencies			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	6,135,508	4,190,646	1,944,862
Unfair Trade Practices	750,000	36,202	713,798
Commerce and Industry			
Lot Rent Trust Subsidy	488,213	370,735	117,478
Rural Rehabilitation Trust	234,713	-	234,713
Education			
Museums and History Trust Fund	335,931	323,978	11,953
Museums and History Board Trust	17,743	16,743	1,000
Museums Administrator Trust	88,815	42,739	46,076
Nevada Historical Society Trust	310,169	171,538	138,631
Nevada State Museum Trust	805,345	505,744	299,601
Nevada Railroad Museum Trust	392,307	227,415	164,892
Lost City Museum Trust	170,593	98,267	72,326
Las Vegas Museum and Trust	65,941	50,185	15,756
Finance and Administration			
Public Works Inspection	8,955,925	6,975,514	1,980,411
Public Works Retention Payment	924,483	387,207	537,276
Victims of Crime	11,330,091	9,961,777	1,368,314
Special Projects			
School Improvement	100	16	84
Total	31,006,002	23,358,706	7,647,296
Total Special Revenue Funds	$ 1,997,649,192	$ 1,605,885,312	$ 391,763,880

Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis
All Nonmajor Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Employment Security			**Regulatory**		
Fund balances, July 1	$ 17,707,707	$ 17,707,707	$ -	$ 10,902,752	$ 10,902,752	$ -
Revenues:						
Federal	68,398,290	58,427,202	(9,971,088)	472,580	408,381	(64,199)
Other taxes	-	-	-	11,007,084	11,167,220	160,136
Sales and charges for services	988,412	717,192	(271,220)	5,435,197	4,730,928	(704,269)
Licenses, fees and permits	379,998	351,479	(28,519)	4,061,323	2,930,983	(1,130,340)
Interest	630,179	327,331	(302,848)	119,673	92,088	(27,585)
Other	15,340,018	13,533,036	(1,806,982)	640,579	619,751	(20,828)
Other financing sources:						
Transfer from other funds	1,120,584	973,648	(146,936)	3,529,833	3,087,740	(442,093)
Total sources	$104,565,188	$ 92,037,595	$(12,527,593)	$ 36,169,021	$ 33,939,843	$(2,229,178)
	Legislative			**Higher Education Capital Construction**		
Fund balances, July 1	$ 7,686,962	$ 7,686,962	$ -	$ -	$ -	$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	14,963,890	14,963,890	-
Sales, charges for services	271,000	288,655	17,655	-	-	-
Licenses, fees and permits	85,000	79,378	(5,622)	-	-	-
Other	297,312	379,296	81,984	-	-	-
Other financing sources:						
Transfer from other funds	50,102,176	50,073,634	(28,542)	-	-	-
Total sources	$ 58,442,450	$ 58,507,925	$ 65,475	$ 14,963,890	$ 14,963,890	$ -

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Cleaning Up Petroleum Discharges			**Hospital Care to Indigent Persons**		
Fund balances, July 1	$ 3,259,309	$ 3,259,309	$ -	$ 1,655,059	$ 1,655,059	$ -
Revenues:						
Other taxes	13,500,000	12,564,026	(935,974)	28,274,052	27,038,631	(1,235,421)
Sales, charges for services	100	-	(100)	-	-	-
Licenses, fees and permits	550,000	426,100	(123,900)	-	-	-
Interest	500,000	78,885	(421,115)	254,900	131,021	(123,879)
Other	100,000	-	(100,000)	-	351,509	351,509
Total sources	$ 17,909,409	$ 16,328,320	$ (1,581,089)	$ 30,184,011	$ 29,176,220	$(1,007,791)
	Tourism Promotion			**Offenders' Store**		
Fund balances, July 1	$ 2,748,319	$ 2,748,319	$ -	$ 4,510,333	$ 4,510,333	$ -
Revenues:						
Other taxes	18,163,309	18,163,309	-	-	-	-
Sales, charges for services	-	-	-	15,069,378	14,913,684	(155,694)
Licenses, fees and permits	9,700	8,925	(775)	-	-	-
Interest	17,103	4,626	(12,477)	217,404	208,799	(8,605)
Other	13,427	11,472	(1,955)	450,022	446,954	(3,068)
Other financing sources:						
Transfer from other funds	513,585	508,156	(5,429)	3,068,892	3,068,892	-
Total sources	$ 21,465,443	$ 21,444,807	$ (20,636)	$ 23,316,029	$ 23,148,662	$ (167,367)

NEVADA

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Tobacco Settlement			**Contingency**		
Fund balances, July 1	$108,769,698	$108,769,698	$ -	$ 10,248,783	$ 10,248,783	$ -
Revenues:						
Interest	2,131,068	2,182,600	51,532	-	-	-
Other	45,865,871	50,072,293	4,206,422	-	82	82
Other financing sources:						
Transfer from other funds	35,187,098	19,639,748	(15,547,350)	22,764,650	25,082,313	2,317,663
Total sources	$191,953,735	$180,664,339	$(11,289,396)	$ 33,013,433	$ 35,331,178	$ 2,317,745
	Care of Sites for Radioactive Waste Disposal			**Gift**		
Fund balances, July 1	$ 13,241,039	$ 13,241,039	$ -	$ 2,944,242	$ 2,944,242	$ -
Revenues:						
Sales, charges for services	-	-	-	12,480	4,276	(8,204)
Licenses, fees and permits	134,028	147,157	13,129	1,520,691	1,128,088	(392,603)
Interest	443,148	219,368	(223,780)	158,411	66,390	(92,021)
Other	-	-	-	254,594	93,582	(161,012)
Other financing sources:						
Transfer from other funds	-	-	-	6,000	1,183	(4,817)
Total sources	$ 13,818,215	$ 13,607,564	$ (210,651)	$ 4,896,418	$ 4,237,761	$ (658,657)
	Natural Resources			**Miscellaneous**		
Fund balances, July 1	$ 28,662,126	$ 28,662,126	$ -	$ 5,210,006	$ 5,210,006	$ -
Revenues:						
Federal	447,480	140,884	(306,596)	2,138,000	1,221,377	(916,623)
Other taxes	-	-	-	2,865,385	2,470,282	(395,103)
Sales, charges for services	-	-	-	1,029,320	855,931	(173,389)
Licenses, fees, permits	-	-	-	14,053,032	13,110,815	(942,217)
Interest	1,345,789	799,137	(546,652)	1,020,368	493,005	(527,363)
Other	-	-	-	3,010,970	2,649,129	(361,841)
Other financing sources:						
Proceeds from sale of bonds	12,956,307	12,956,307	-	-	-	-
Transfers from other funds	-	-	-	1,598,706	1,696,431	97,725
Total sources	$ 43,411,702	$ 42,558,454	$ (853,248)	$ 30,925,787	$ 27,706,976	$(3,218,811)

	Final Budget	Actual	Variance
	Total Nonmajor Special Revenue Funds		
Fund balances, July 1	$217,546,335	$217,546,335	$ -
Revenues:			
Gaming taxes, fees, licenses	14,963,890	14,963,890	-
Federal	71,456,350	60,197,844	(11,258,506)
Other taxes	73,809,830	71,403,468	(2,406,362)
Sales, charges for services	22,805,887	21,510,666	(1,295,221)
Licenses, fees and permits	20,793,772	18,182,925	(2,610,847)
Interest	6,838,043	4,603,250	(2,234,793)
Other	65,972,793	68,157,104	2,184,311
Other financing sources:			
Proceeds from sale of bonds	12,956,307	12,956,307	-
Transfer from other funds	117,891,524	104,131,745	(13,759,779)
Total sources	$625,034,731	$593,653,534	$(31,381,197)

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Nonmajor Enterprise Funds

Workers' Compensation and Safety Records assessments on insurers for compensation of injured workers and administration of regulations for employee safety (NRS 616A.425), assesses self-insurers to pay claims against insolvent self-insured employers (NRS 616B.309), accounts for compensation benefits to physically impaired employees from a subsequent injury in the course of employment (NRS 616B.554, 616B.575, 616B.584), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

Insurance Examination Accounts for activities related to examinations of financial records and assets of authorized insurers (NRS 679B.300).

Gaming Investigative Accounts for activities related to investigations of gaming license applicants (NRS 463.331) and cash transactions of gaming licensees (NRS 463.332).

Forestry Nurseries Accounts for the self-supporting operation of State nurseries, which propagate, maintain and distribute plants for conservation purposes (NRS 528.100).

Prison Industry Accounts for a self-supporting program of job training through the employment of inmates in farming and manufacturing (NRS 209.189).

Nevada Magazine Accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism (NRS 231.290).

WICHE Student Loans Accounts for loans and stipends to students in professional and graduate programs where such education is not available from an institution within the State (NRS 397.063).

Higher Education Tuition Trust Accounts for the receipts and disbursements related to prepaid tuition contracts that allow the cost of tuition to be paid in advance of enrollment at an institution of higher education (NRS 353B.140).

Marlette Lake Water System Accounts for the costs of operating the State-owned Marlette Lake Water System. The system serves the State Buildings and Grounds Division and portions of Carson City and Storey County (NRS 331.180).

Combining Statement of Net Assets
Nonmajor Enterprise Funds

June 30, 2009

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 34,846,875	$ 1,311,299	$ 11,790,553	$ 105,321
Cash in custody of other officials	214	-	137,401	100
Investments	-	-	-	-
Receivables:				
Accounts receivable	1,995,906	887,040	114,091	12,488
Intergovernmental receivables	288,894	-	-	-
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Trades pending settlement	-	-	-	-
Due from other funds	1,663,192	-	254	92,859
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	217,243
Prepaid expenses	-	-	2,480	-
Total current assets	38,795,081	2,198,339	12,044,779	428,011
Noncurrent assets:				
Receivables:				
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Notes/loans receivable	-	-	-	-
Deferred charges	-	-	-	-
Other assets	-	-	-	-
Capital assets:				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,195,475	-	116,424	78,561
Construction in progress	-	-	-	413,400
Less accumulated depreciation	(1,547,398)	-	(75,247)	(78,561)
Total noncurrent assets	648,077	-	41,177	413,400
Total assets	39,443,158	2,198,339	12,085,956	841,411
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	398,510	165,328	483,109	39,035
Accrued payroll and related liabilities	663,666	-	-	6,590
Interest payable	-	-	-	-
Intergovernmental payables	10,877	-	408	-
Trades pending settlement	-	-	-	-
Due to other funds	25,860	124,628	2,414,420	15,210
Due to fiduciary funds	18	-	-	725
Due to component units	760	-	-	-
Deferred revenues	-	-	8,720,036	-
Other liabilities	-	-	-	-
Short-term portion of long-term liabilities:				
Compensated absences	775,981	-	-	4,263
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Total current liabilities	1,875,672	289,956	11,617,973	65,823
Noncurrent liabilities:				
Advances from general fund	-	-	-	372,060
Compensated absences	359,114	-	-	480
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Total noncurrent liabilities	359,114	-	-	372,540
Total liabilities	2,234,786	289,956	11,617,973	438,363
Net Assets				
Invested in capital assets, net of related debt	648,077	-	41,177	413,400
Restricted for workers' compensation	36,560,295	-	-	-
Restricted for regulation of business	-	1,908,383	2,000	-
Unrestricted (deficit)	-	-	424,806	(10,352)
Total net assets	$ 37,208,372	$ 1,908,383	$ 467,983	$ 403,048

Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
$ 2,158,128	$ 73,212	$ 77,540	$ 2,689,772	$ 1,790,512	$ 54,843,212
100	1,178	-	2,654,227	-	2,793,220
-	-	-	86,754,479	-	86,754,479
1,062,145	113,884	-	-	-	4,185,554
55,763	-	-	-	165,939	510,596
-	-	-	4,400,000	-	4,400,000
-	-	72,427	434,866	-	507,293
-	-	-	210,832	-	210,832
152,043	4,721	-	20,673	92	1,933,834
9,329	-	-	-	-	9,329
580	-	-	-	-	580
1,474,767	16,482	-	-	-	1,708,492
-	6,212	-	-	-	8,692
4,912,855	215,689	149,967	97,164,849	1,956,543	157,866,113
-	-	-	13,411,298	-	13,411,298
-	-	402,711	-	-	402,711
-	-	1,548,311	-	-	1,548,311
-	-	-	-	97,921	97,921
15,000	-	-	-	-	15,000
153,140	-	-	-	414,672	567,812
2,890,227	-	-	-	498,613	3,388,840
-	-	-	-	630,647	630,647
984,233	-	-	15,295	1,595,894	4,985,882
-	-	-	-	7,273,796	7,687,196
(2,810,241)	-	-	(11,606)	(2,414,330)	(6,937,383)
1,232,359	-	1,951,022	13,414,987	8,097,213	25,798,235
6,145,214	215,689	2,100,989	110,579,836	10,053,756	183,664,348
87,781	52,747	50,804	166,345	1,190	1,444,849
67,586	23,366	-	5,250	14,198	780,656
-	-	-	-	29,457	29,457
31	-	-	-	169	11,485
-	-	-	1,858,913	-	1,858,913
18,881	1,982	9,787	36,422	12,147	2,659,337
55,674	-	-	-	-	56,417
-	-	30,300	33,953	-	65,013
115,130	234,392	-	-	-	9,069,558
6,712	-	-	-	2,050	8,762
125,072	24,496	-	10,297	20,200	960,309
-	-	-	8,700,000	-	8,700,000
-	-	-	-	136,710	136,710
476,867	336,983	90,891	10,811,180	216,121	25,781,466
-	-	-	-	31,048	403,108
102,947	14,351	-	1,500	16,157	494,549
-	-	-	116,231,000	-	116,231,000
-	-	-	-	7,370,946	7,370,946
102,947	14,351	-	116,232,500	7,418,151	124,499,603
579,814	351,334	90,891	127,043,680	7,634,272	150,281,069
1,217,359	-	-	3,689	926,077	3,249,779
-	-	-	-	-	36,560,295
-	-	-	-	-	1,910,383
4,348,041	(135,645)	2,010,098	(16,467,533)	1,493,407	(8,337,178)
$ 5,565,400	$ (135,645)	$ 2,010,098	$ (16,463,844)	$ 2,419,484	$ 33,383,279

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2009

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	$ -	$ -	$ -	$ 388,626
Assessments	34,478,803	-	-	-
Charges for services	425	-	14,135,966	-
Rental income	-	-	-	-
Interest income on loans	-	-	-	-
Licenses, fees and permits	314,509	6,613,032	-	-
Fines	1,861,073	-	-	-
Other	2,280,118	-	-	3,345
Total operating revenues	38,934,928	6,613,032	14,135,966	391,971
Operating Expenses				
Salaries and benefits	15,782,096	-	-	73,297
Operating	4,032,027	5,747,599	1,852,333	77,420
Claims and benefits expense	6,643,842	-	-	-
Materials or supplies used	-	-	-	296,779
Depreciation	194,026	-	25,948	6,641
Total operating expenses	26,651,991	5,747,599	1,878,281	454,137
Operating income (loss)	12,282,937	865,433	12,257,685	(62,166)
Nonoperating Revenues (Expenses)				
Interest and investment income	103,264	-	-	-
Interest expense	(106,057)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,189,478	-	-	-
Gain (loss) on disposal/sale of assets	20,415	-	-	700
Total nonoperating revenues (expenses)	2,207,100	-	-	700
Income (loss) before transfers	14,490,037	865,433	12,257,685	(61,466)
Transfers				
Transfers in	-	-	2,000	-
Transfers out	(10,642,335)	-	(12,110,828)	-
Change in net assets	3,847,702	865,433	148,857	(61,466)
Net assets, July 1	33,360,670	1,042,950	319,126	464,514
Net assets, June 30	$ 37,208,372	$ 1,908,383	$ 467,983	$ 403,048

Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
$ 3,914,589	$ 1,688,329	$ -	$ 6,148,677	$ 966,504	$ 13,106,725
-	-	-	-	-	34,478,803
462,604	-	-	6,804	-	14,605,799
141,221	-	-	-	3,200	144,421
-	-	190,498	-	-	190,498
-	-	-	-	-	6,927,541
-	-	-	-	-	1,861,073
975,137	3,890	1,231	66,300	14,886	3,344,907
5,493,551	1,692,219	191,729	6,221,781	984,590	74,659,767
1,844,214	723,295	-	154,292	181,774	18,758,968
2,358,089	324,344	671,716	680,377	60,519	15,804,424
-	-	-	12,263,144	-	18,906,986
1,489,161	752,499	-	-	-	2,538,439
126,280	-	-	3,821	62,014	418,730
5,817,744	1,800,138	671,716	13,101,634	304,307	56,427,547
(324,193)	(107,919)	(479,987)	(6,879,853)	680,283	18,232,220
12,273	-	-	(10,180,505)	-	(10,064,968)
(8,160)	-	-	-	(230,445)	(344,662)
-	-	-	-	(3,446)	(3,446)
-	-	-	-	-	2,189,478
-	-	-	-	-	21,115
4,113	-	-	(10,180,505)	(233,891)	(8,202,483)
(320,080)	(107,919)	(479,987)	(17,060,358)	446,392	10,029,737
-	160,608	690,261	1,160,577	-	2,013,446
(32,167)	-	(89,966)	-	-	(22,875,296)
(352,247)	52,689	120,308	(15,899,781)	446,392	(10,832,113)
5,917,647	(188,334)	1,889,790	(564,063)	1,973,092	44,215,392
$ 5,565,400	$ (135,645)	$ 2,010,098	$ (16,463,844)	$ 2,419,484	$ 33,383,279

Combining Statement of Cash Flows
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2009

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Cash flows from operating activities				
Receipts from customers and users	$ 38,600,418	$ 6,157,939	$ 13,798,952	$ 142,354
Receipts for interfund services provided	62,105	343,649	-	181,717
Receipts of principal on loans and notes	-	-	-	-
Receipts of interest on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(8,977,824)	(4,200,754)	(1,472,725)	(96,735)
Payments to employees	(15,005,935)	-	-	(157,812)
Payments for interfund services used	(2,228,320)	(1,739,758)	(81,952)	(141,851)
Payments to component units	(730)	-	-	-
Purchase of loans and notes	-	-	-	-
Net cash provided by (used for) operating activities	12,449,714	561,076	12,244,275	(72,327)
Cash flows from noncapital financing activities				
Grant receipts	2,321,526	-	-	-
Transfers and advances from other funds	-	-	2,102	-
Transfers and advances to other funds	(11,083,917)	-	(11,357,144)	-
Other noncapital financing activities	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(8,762,391)	-	(11,355,042)	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	24,875	-	-	700
Purchase of capital assets	(179,665)	-	-	-
Principal paid on capital debt	-	-	-	(26,250)
Interest paid on capital debt	-	-	-	-
Payments on construction projects	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(154,790)	-	-	(25,550)
Cash flows from investing activities				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest and dividends received	105,756	-	-	-
Net cash provided by (used for) investing activities	105,756	-	-	-
Net increase (decrease) in cash	3,638,289	561,076	889,233	(97,877)
Cash and cash equivalents, July 1	31,208,800	750,223	11,038,721	203,298
Cash and cash equivalents, June 30	$ 34,847,089	$ 1,311,299	$ 11,927,954	$ 105,421
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ 12,282,937	$ 865,433	$ 12,257,685	$ (62,166)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	194,026	-	25,948	6,641
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	(272,405)	(111,444)	83,632	(67,900)
Decrease (increase) in inventory, deferred charges, other assets	-	-	85,680	45,152
Increase (decrease) in accounts payable, accruals, other liabilities	245,156	(192,913)	(208,670)	5,946
Total adjustments	166,777	(304,357)	(13,410)	(10,161)
Net cash provided by (used for) operating activities	$ 12,449,714	$ 561,076	$ 12,244,275	$ (72,327)
Noncash investing, capital and financing activities				
Construction completed or in progress	$ -	$ -	$ -	$ 26,177
Increase (decrease) in fair value of investments	(738,437)	-	-	-

Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
$ 3,037,764	$ 1,068,656	$ 1,254	$ 6,110,546	$ 1,140,578	$ 70,058,461
2,288,488	543,612	-	67,989	-	3,487,560
-	-	318,814	-	-	318,814
-	-	120,587	-	-	120,587
(2,376,778)	(1,037,411)	(719,859)	(3,466,701)	(17,305)	(22,366,092)
(1,723,022)	(723,515)	-	(159,831)	(166,095)	(17,936,210)
(1,754,281)	(93,329)	-	(186,319)	(71,614)	(6,297,424)
(3,056)	-	(73,130)	(3,004,677)	(2,920)	(3,084,513)
-	-	(351,328)	-	-	(351,328)
(530,885)	(241,987)	(703,662)	(638,993)	882,644	23,949,855
-	-	-	-	-	2,321,526
-	170,456	698,870	1,160,577	-	2,032,005
(32,167)	-	(133,066)	(1,160,577)	-	(23,766,871)
(589)	-	-	-	-	(589)
(32,756)	170,456	565,804	-	-	(19,413,929)
-	-	-	-	-	25,575
(13,000)	-	-	-	-	(192,665)
-	-	-	-	(110,512)	(136,762)
-	-	-	-	(385,249)	(385,249)
-	-	-	-	(2,895,598)	(2,895,598)
(13,000)	-	-	-	(3,391,359)	(3,584,699)
-	-	-	129,246,259	-	129,246,259
-	-	-	(129,049,016)	-	(129,049,016)
-	-	-	3,244,406	-	3,350,162
-	-	-	3,441,649	-	3,547,405
(576,641)	(71,531)	(137,858)	2,802,656	(2,508,715)	4,498,632
2,734,869	145,921	215,398	2,541,343	4,299,227	53,137,800
$ 2,158,228	$ 74,390	$ 77,540	$ 5,343,999	$ 1,790,512	$ 57,636,432
$ (324,193)	$ (107,919)	$ (479,987)	$ (6,879,853)	$ 680,283	$ 18,232,220
126,280	-	-	3,821	62,014	418,730
-	-	(32,842)	-	-	(32,842)
(167,299)	(13,997)	(70,181)	(43,246)	155,988	(506,852)
(59,376)	3,103	-	-	-	74,559
(106,297)	(123,174)	(120,652)	6,280,285	(15,641)	5,764,040
(206,692)	(134,068)	(223,675)	6,240,860	202,361	5,717,635
$ (530,885)	$ (241,987)	$ (703,662)	$ (638,993)	$ 882,644	$ 23,949,855
$ -	$ -	$ -	$ -	$ -	$ 26,177
(49,086)	-	-	(13,386,402)	-	(14,173,925)

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INTERNAL SERVICE FUNDS

Self-Insurance Accounts for self-insured group life, accident and health insurance plans for State and other government employees (NRS 287.0435).

Buildings and Grounds Accounts for the maintenance, housekeeping and security of most State buildings (NRS 331.101).

Motor Pool Accounts for the operations of the State vehicle fleet (NRS 336.110).

Communications Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 331.103).

Insurance Premiums Allocates the costs of fidelity insurance, property insurance and workers' compensation insurance to State agencies (NRS 331.187).

Administrative Services Provides administrative and accounting services to various divisions of the Department of Administration (NRS 232.219).

Personnel Accounts for the costs of administering the State personnel system. Operations are financed by assessments charged to user agencies (NRS 284.110).

Purchasing Provides purchasing services to State agencies and other governmental units. The operation is financed by an administrative charge on purchase orders and warehouse orders (NRS 333.120).

Information Services Accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems (NRS 242.211).

Printing Accounts for the operation of the State printing facilities (NRS 344.090).

Combining Statement of Net Assets
Internal Service Funds

June 30, 2009

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 87,441,765	$ 3,676,745	$ 672,583	$ 284,477
Cash in custody of other officials	-	-	-	-
Receivables:				
Accounts receivable	1,831,217	4,098	100	-
Intergovernmental receivables	7,673,729	-	819	6,281
Notes receivable	-	-	-	-
Due from other funds	603,908	184,897	421,626	1,234,033
Due from fiduciary funds	21,922	-	919	-
Due from component units	1,143,975	-	11,762	3,448
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total current assets	98,716,516	3,865,740	1,107,809	1,528,239
Noncurrent assets:				
Intergovernmental receivables	3,088,035	-	-	-
Notes receivable	-	-	-	-
Capital assets:				
Land	-	20,400	-	-
Buildings	-	2,268,068	1,037,144	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	433,902	863,915	13,941,114	1,078,160
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(363,351)	(2,107,856)	(10,150,435)	(881,247)
Total noncurrent assets	3,158,586	1,335,743	4,827,823	619,364
Total assets	101,875,102	5,201,483	5,935,632	2,147,603
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	6,514,784	517,297	78,629	4,154
Accrued payroll and related liabilities	92,017	347,759	34,802	45,902
Intergovernmental payables	-	29,727	530	-
Bank overdraft	6,956,243	-	-	-
Due to other funds	14,479	19,140	117,063	26,005
Due to fiduciary funds	710,436	18,083	745	-
Due to component units	-	-	513	-
Deferred revenues	13,610	-	-	-
Short-term portion of long-term liabilities:				
Reserve for losses	35,881,000	-	-	-
Compensated absences	86,780	365,011	54,577	59,551
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total current liabilities	50,269,349	1,297,017	286,859	135,612
Noncurrent liabilities:				
Advances:				
Advances from general fund	-	-	-	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	38,613	149,865	43,067	33,044
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total noncurrent liabilities	38,613	149,865	43,067	33,044
Total liabilities	50,307,962	1,446,882	329,926	168,656
Net Assets				
Invested in capital assets, net of related debt	70,551	1,335,743	4,827,823	619,364
Unrestricted (deficit)	51,496,589	2,418,858	777,883	1,359,583
Total net assets	$ 51,567,140	$ 3,754,601	$ 5,605,706	$ 1,978,947

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 15,596,025	$ 505,815	$ 3,399,818	$ 985,539	$ 4,506,077	$ 666,860	$ 117,735,704
-	-	-	-	100	-	100
9,551	-	172	-	3,959	-	1,849,097
79	-	-	25	42,842	-	7,723,775
10,000	-	-	-	-	-	10,000
2,109,184	430	9,377	889	2,407,526	314,166	7,286,036
-	-	-	-	-	-	22,841
451	-	-	-	1,723	-	1,161,359
-	-	-	-	-	192,657	192,657
266,432	-	398	-	40	-	266,870
17,991,722	506,245	3,409,765	986,453	6,962,267	1,173,683	136,248,439
-	-	-	-	-	-	3,088,035
105,000	-	-	-	-	-	105,000
-	-	-	95,554	15,000	-	130,954
-	-	-	140,000	14,762,838	3,870,571	22,078,621
-	-	-	-	-	-	713,667
30,475	59,699	220,220	189,459	27,801,233	4,192,648	48,810,825
-	-	15,323,810	-	-	-	15,323,810
(25,280)	(49,130)	(13,346,231)	(305,405)	(24,936,461)	(3,844,912)	(56,010,308)
110,195	10,569	2,197,799	119,608	17,642,610	4,218,307	34,240,604
18,101,917	516,814	5,607,564	1,106,061	24,604,877	5,391,990	170,489,043
687,425	50,711	203,231	43,138	420,007	40,853	8,560,229
36,156	41,024	271,937	117,417	486,834	1,594	1,475,442
-	-	-	-	1,820	-	32,077
-	-	-	-	-	-	6,956,243
27,331	783	1,129,023	23,114	1,439,254	112,675	2,908,867
-	-	-	-	-	1,650	730,914
17,056	-	4,895	-	973	-	23,437
-	-	-	-	5,740	-	19,350
17,655,327	-	-	-	-	-	53,536,327
24,509	53,990	367,989	139,269	741,173	91,534	1,984,383
-	-	-	-	513,323	-	513,323
-	-	-	-	1,242,483	-	1,242,483
18,447,804	146,508	1,977,075	322,938	4,851,607	248,306	77,983,075
-	-	2,029,560	-	1,020,773	-	3,050,333
-	-	-	-	1,657,001	-	1,657,001
27,932,821	-	-	-	-	-	27,932,821
3,641	10,506	208,736	84,630	388,243	85,612	1,045,957
-	-	-	-	7,813,768	-	7,813,768
-	-	-	-	2,567,440	-	2,567,440
27,936,462	10,506	2,238,296	84,630	13,447,225	85,612	44,067,320
46,384,266	157,014	4,215,371	407,568	18,298,832	333,918	122,050,395
5,195	10,569	2,197,799	119,608	5,505,596	4,218,307	18,910,555
(28,287,544)	349,231	(805,606)	578,885	800,449	839,765	29,528,093
$ (28,282,349)	$ 359,800	$ 1,392,193	$ 698,493	$ 6,306,045	$ 5,058,072	$ 48,438,648

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds

For the Fiscal Year Ended June 30, 2009

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Operating Revenues				
Net premium income	$ 322,234,308	$ -	$ -	$ -
Sales	-	-	11,112	-
Charges for services	-	1,433,327	-	7,330,696
Rental income	-	15,847,134	4,896,572	-
Other	3,513,725	40,314	1,057	-
Total operating revenues	325,748,033	17,320,775	4,908,741	7,330,696
Operating Expenses				
Salaries and benefits	2,304,365	6,595,808	880,731	1,041,817
Operating	2,712,582	10,405,690	1,879,091	5,951,337
Claims expense	238,691,260	-	-	-
Materials or supplies used	-	-	363,349	-
Depreciation	30,156	84,950	1,839,824	87,693
Amortization	-	-	-	-
Insurance premiums	93,582,739	-	-	-
Total operating expenses	337,321,102	17,086,448	4,962,995	7,080,847
Operating income (loss)	(11,573,069)	234,327	(54,254)	249,849
Nonoperating Revenues (Expenses)				
Interest and investment income	(95,807)	-	-	-
Interest expense	(213,762)	-	-	-
Gain (loss) on disposal of assets	-	-	134,945	-
Total nonoperating revenues (expenses)	(309,569)	-	134,945	-
Income (loss) before transfers	(11,882,638)	234,327	80,691	249,849
Transfers				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net assets	(11,882,638)	234,327	80,691	249,849
Net assets, July 1	63,449,778	3,520,274	5,525,015	1,729,098
Net assets, June 30	$ 51,567,140	$ 3,754,601	$ 5,605,706	$ 1,978,947

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 24,085,222	$ -	$ -	$ -	$ -	$ -	$ 346,319,530
-	-	-	4,874	-	3,442,608	3,458,594
-	1,337,536	11,767,278	2,748,180	22,439,044	-	47,056,061
-	-	-	-	580,769	-	21,324,475
116,803	-	37,565	6,360	-	6,056	3,721,880
24,202,025	1,337,536	11,804,843	2,759,414	23,019,813	3,448,664	421,880,540
659,463	1,157,719	6,460,168	2,142,223	11,355,999	1,670,311	34,268,604
3,940,044	187,169	3,968,586	783,429	8,866,621	296,408	38,990,957
18,998,921	-	-	-	-	-	257,690,181
-	-	-	7,740	-	734,779	1,105,868
2,009	2,885	20,461	10,898	3,261,794	310,296	5,650,966
-	-	1,532,381	-	-	-	1,532,381
5,072,035	-	-	-	-	-	98,654,774
28,672,472	1,347,773	11,981,596	2,944,290	23,484,414	3,011,794	437,893,731
(4,470,447)	(10,237)	(176,753)	(184,876)	(464,601)	436,870	(16,013,191)
13,407	-	-	-	-	-	(82,400)
-	-	(29)	(5,969)	(164,157)	(189)	(384,106)
-	-	-	(5,106)	(316,915)	-	(187,076)
13,407	-	(29)	(11,075)	(481,072)	(189)	(653,582)
(4,457,040)	(10,237)	(176,782)	(195,951)	(945,673)	436,681	(16,666,773)
2,000,000	-	-	184,479	37,876	82,312	2,304,667
(100,000)	-	-	-	-	-	(100,000)
(2,557,040)	(10,237)	(176,782)	(11,472)	(907,797)	518,993	(14,462,106)
(25,725,309)	370,037	1,568,975	709,965	7,213,842	4,539,079	62,900,754
$ (28,282,349)	$ 359,800	$ 1,392,193	$ 698,493	$ 6,306,045	$ 5,058,072	$ 48,438,648

Combining Statement of Cash Flows
Internal Service Funds

For the Fiscal Year Ended June 30, 2009

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Cash flows from operating activities				
Receipts from customers and users	$ 89,172,033	$ 108,226	$ 29,324	$ 36,485
Receipts for interfund services provided	157,689,408	17,230,440	4,820,853	6,836,726
Receipts from component units	76,409,118	-	85,634	8,955
Payments to suppliers, other governments and beneficiaries	(327,286,492)	(8,978,717)	(1,209,059)	(5,801,299)
Payments to employees	(2,347,206)	(6,600,750)	(881,985)	(988,938)
Payments for interfund services used	(681,792)	(1,350,229)	(1,328,840)	(279,220)
Payments to component units	-	(285)	-	-
Net cash provided by (used for) operating activities	(7,044,931)	408,685	1,515,927	(187,291)
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	-	-	-
Transfers and advances to other funds	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities				
Transfers from (reversions to) other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	167,614	-
Purchase of capital assets	(29,470)	(146,886)	(1,560,850)	(125,463)
Principal paid on capital debt	-	(333,622)	(66,470)	(190,102)
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(29,470)	(480,508)	(1,459,706)	(315,565)
Cash flows from investing activities				
Interest and dividends received	190,368	-	-	-
Net cash provided by (used for) investing activities	190,368	-	-	-
Net increase (decrease) in cash	(6,884,033)	(71,823)	56,221	(502,856)
Cash and cash equivalents, July 1	94,325,798	3,748,568	616,362	787,333
Cash and cash equivalents, June 30	$ 87,441,765	$ 3,676,745	$ 672,583	$ 284,477
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ (11,573,069)	$ 234,327	$ (54,254)	$ 249,849
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	30,156	84,950	1,839,824	87,693
Amortization	-	-	-	-
Decrease (increase) in accrued interest and receivables	(2,298,092)	17,891	27,070	(448,530)
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	-
Increase (decrease) in accounts payable, accruals, other liabilities	6,796,074	71,517	(296,713)	(76,303)
Total adjustments	4,528,138	174,358	1,570,181	(437,140)
Net cash provided by (used for) operating activities	$ (7,044,931)	$ 408,685	$ 1,515,927	$ (187,291)
Noncash investing, capital and financing activities				
Capital assets leased or acquired	$ -	$ -	$ -	$ -
Gain (loss) on disposal of assets	-	-	134,945	-
Increase (decrease) in fair value of investments	(1,690,517)	-	-	-

NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 367,768	$ -	$ 8,782	$ 5,526	$ 53,690	$ 316,651	$ 90,098,485
23,689,588	1,374,921	12,178,472	2,804,739	22,820,291	3,138,689	252,584,127
257,176	-	173,172	1,700	-	-	76,935,755
(14,712,119)	(30,102)	(1,760,740)	(238,712)	(8,251,197)	(749,057)	(369,017,494)
(655,887)	(1,114,428)	(6,210,983)	(2,039,104)	(10,839,798)	(1,767,986)	(33,447,065)
(11,700,153)	(155,118)	(2,403,279)	(659,377)	(730,965)	(67,601)	(19,356,574)
(45,785)	-	(13,519)	-	(87,103)	-	(146,692)
(2,799,412)	75,273	1,971,905	(125,228)	2,964,918	870,696	(2,349,458)
-	-	-	20,330	146,033	-	166,363
(100,000)	-	-	-	-	-	(100,000)
(100,000)	-	-	20,330	146,033	-	66,363
-	-	-	164,149	-	-	164,149
-	-	-	-	2,805	-	170,419
-	-	(35,662)	(5,106)	(268,197)	(447,476)	(2,619,110)
-	-	(1,644,795)	(164,149)	(2,498,461)	(5,468)	(4,903,067)
-	-	-	(5,969)	(164,157)	(189)	(170,315)
-	-	(1,680,457)	(11,075)	(2,928,010)	(453,133)	(7,357,924)
13,407	-	-	-	-	-	203,775
13,407	-	-	-	-	-	203,775
(2,886,005)	75,273	291,448	(115,973)	182,941	417,563	(9,437,244)
18,482,030	430,542	3,108,370	1,101,512	4,323,236	249,297	127,173,048
$ 15,596,025	$ 505,815	$ 3,399,818	$ 985,539	$ 4,506,177	$ 666,860	$ 117,735,804
$ (4,470,447)	$ (10,237)	$ (176,753)	$ (184,876)	$ (464,601)	$ 436,870	$ (16,013,191)
2,009	2,885	20,461	10,898	3,261,794	310,296	5,650,966
-	-	1,532,381	-	-	-	1,532,381
112,507	37,385	555,583	52,551	(80,983)	6,676	(2,017,942)
(266,432)	-	6,132	7,740	5,562	88,291	(158,707)
1,822,951	45,240	34,101	(11,541)	243,146	28,563	8,657,035
1,671,035	85,510	2,148,658	59,648	3,429,519	433,826	13,663,733
$ (2,799,412)	$ 75,273	$ 1,971,905	$ (125,228)	$ 2,964,918	$ 870,696	$ (2,349,458)
$ -	$ -	$ -	$ -	$ 548,179	$ -	$ 548,179
-	-	-	(5,106)	(316,915)	-	(187,076)
-	-	-	-	-	-	(1,690,517)

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FIDUCIARY FUNDS

Pension and Other Employee Benefit Trust

Public Employees' Retirement Accounts for the operations of the Public Employees' Retirement System which provides income benefits to qualified public employees (NRS 286.220).

Legislators' Retirement Accounts for the operations of the Legislators' Retirement System (NRS 218.2375).

Judicial Retirement Accounts for the operations of the Judicial Retirement System which provides benefits for justices of the Supreme Court and district judges (NRS 1A.160).

State Retirees' Fund Accounts for the assets accumulated and the payments made for other postemployment benefits provided to current and future State retirees. Administered as a defined benefit Other Postemployment Benefit Plan (OPEB). Funding comes from employer contributions and investment earnings (NRS 287.0436).

Investment Trust

Local Government Investment Pool Accounts for investment funds received from local governments and pooled to obtain greater interest earnings (NRS 355.167).

Nevada Enhanced Savings Term Accounts for the establishment of one or more separate subaccounts for identified investments that are made for and allocated to specific participating local governments (NRS 355.165).

Retirement Benefits Investment Fund Accounts for investment of contributions made by participating entities to support financing of other post employment benefits at some time in the future (NRS 355.220).

Private Purpose Trust

Prisoners' Personal Property Accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

Nevada College Savings Plan Accounts for participant contributions used to pay for future college expenses (NRS 353B.340).

Agency

Intergovernmental Accounts for taxes and fees, such as sales and use, property tax and motor vehicle privilege tax, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

State Agency Fund for Bonds Accounts for surety bonds and deposits held by the State (NRS 353.251).

Motor Vehicle Accounts for taxes and fees collected by the Department of Motor Vehicles pending distribution to counties (NRS 482.180).

Child Support Disbursement Accounts for the centralized collection and disbursement of child support payments in accordance with 42 U.S.C. Sec. 654b (NRS 425.363).

Child Welfare Trust Accounts for survivor benefits held in trust for children receiving welfare services (NRS 432.037).

Restitution Trust Accounts for money received from parolees making restitution (NRS 213.126).

Veterans' Custodial Accounts for the estates of persons for whom the Nevada Commissioner for Veteran Affairs acts as guardian (NRS 417.113).

State Payroll Accounts for payment of payroll and payroll deductions such as income tax withholding, insurance deductions, credit union deductions, etc. (NRS 227.130).

Combining Statement of Fiduciary Net Assets
Pension and Other Employee Benefit Trust, Investment Trust and Private–Purpose Trust Funds

June 30, 2009

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Assets					
Cash and pooled investments:					
Cash with treasurer	$ -	$ -	$ -	$ 546,814	$ 546,814
Cash in custody of other officials	422,475,446	423,707	335,993	-	423,235,146
Investments:					
Investments	-	-	-	21,139,856	21,139,856
Fixed income securities	5,533,670,903	930,482	11,159,659	-	5,545,761,044
Marketable equity securities	7,691,383,120	1,701,090	16,682,460	-	7,709,766,670
International securities	3,941,468,260	780,007	8,220,866	-	3,950,469,133
Mortgage loans	6,696	-	-	-	6,696
Real estate	907,413,470	-	-	-	907,413,470
Alternative investments	466,149,311	-	-	-	466,149,311
Collateral on loaned securities	1,760,287,271	-	-	-	1,760,287,271
Receivables:					
Accrued interest and dividends	86,899,749	5,742	57,981	-	86,963,472
Trades pending settlement	141,678,033	17,053	52,149	-	141,747,235
Intergovernmental receivables	84,734,292	-	277,888	15,427	85,027,607
Contributions receivable	-	-	-	-	-
Due from other funds	13,091	-	-	824,524	837,615
Due from fiduciary funds	17,407,597	-	-	-	17,407,597
Due from component units	-	-	-	1,031,255	1,031,255
Other assets	1,962,283	-	-	-	1,962,283
Furniture and equipment	34,031,521	-	-	-	34,031,521
Accumulated depreciation	(29,135,098)	-	-	-	(29,135,098)
Total assets	21,060,445,945	3,858,081	36,786,996	23,557,876	21,124,648,898
Liabilities					
Accounts payable and accruals:					
Accounts payable	13,384,823	2,896	16,871	-	13,404,590
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	429,255,245	182,352	96,294	-	429,533,891
Bank overdraft	-	-	-	-	-
Obligations under securities lending	1,847,667,862	-	-	-	1,847,667,862
Due to other funds	919	-	-	21,922	22,841
Due to fiduciary funds	-	-	-	-	-
Other liabilities	-	231,466	-	-	231,466
Total liabilities	2,290,308,849	416,714	113,165	21,922	2,290,860,650
Net Assets					
Held in trust for:					
Employees' pension benefits	18,770,137,096	3,441,367	36,673,831	-	18,810,252,294
OPEB benefits	-	-	-	23,535,954	23,535,954
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net assets	$ 18,770,137,096	$ 3,441,367	$ 36,673,831	$ 23,535,954	$ 18,833,788,248

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
$ -	$ -	$ -	$ -	$ 4,914,669	$ -	$ 4,914,669
-	-	6,881,214	6,881,214	-	4,209,944	4,209,944
675,841,371	347,085,980	16,826,666	1,036,754,017	-	4,564,095,157	4,564,095,157
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,821,420	1,831,238	73,160	3,725,818	-	542,091	542,091
-	95,312	-	95,312	-	746,914	746,914
-	-	-	-	56,527	-	56,527
-	-	-	-	-	4,979,083	4,979,083
-	-	-	-	175,781	-	175,781
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
677,662,791	349,012,530	23,781,040	1,050,456,361	5,146,977	4,574,573,189	4,579,720,166
-	132,325	15,451	147,776	114,846	1,363,747	1,478,593
11,243	-	-	11,243	8,069	-	8,069
-	-	-	-	-	1,422,920	1,422,920
-	-	6,629,423	6,629,423	-	2,772,154	2,772,154
-	-	-	-	-	580,000	580,000
-	-	-	-	-	-	-
400,668	-	-	400,668	613,568	-	613,568
-	-	-	-	14,044	-	14,044
-	-	-	-	-	-	-
411,911	132,325	6,644,874	7,189,110	750,527	6,138,821	6,889,348
-	-	-	-	-	-	-
-	-	-	-	-	-	-
677,250,880	348,880,205	17,136,166	1,043,267,251	-	-	-
-	-	-	-	4,396,450	4,568,434,368	4,572,830,818
$ 677,250,880	$ 348,880,205	$ 17,136,166	$1,043,267,251	$ 4,396,450	$ 4,568,434,368	$ 4,572,830,818

Combining Statement of Changes in Fiduciary Net Assets
Pension and Other Employee Benefit Trust, Investment Trust and Private–Purpose Trust Funds

For the Fiscal Year Ended June 30, 2009

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Additions					
Contributions:					
Employer	$ 1,213,067,534	$ 200,866	$ 8,591,778	$ 32,256,720	$ 1,254,116,898
Plan members	93,648,004	30,600	-	-	93,678,604
Participants	-	-	-	-	-
Repayment and purchase of service	28,116,522	-	-	-	28,116,522
Total contributions	1,334,832,060	231,466	8,591,778	32,256,720	1,375,912,024
Investment income:					
Net increase (decrease) in fair value of investments	(4,175,087,376)	(824,707)	(7,429,261)	(4,447,092)	(4,187,788,436)
Interest, dividends	582,170,491	52,567	485,443	36,551	582,745,052
Securities lending income	43,677,181	-	-	9,159	43,686,340
Other	54,285,040	-	-	-	54,285,040
	(3,494,954,664)	(772,140)	(6,943,818)	(4,401,382)	(3,507,072,004)
Less investment expense:					
Cost of securities lending	(24,412,358)	-	-	(8,181)	(24,420,539)
Other	(24,058,951)	(1,016)	(9,832)	-	(24,069,799)
Net investment income	(3,543,425,973)	(773,156)	(6,953,650)	(4,409,563)	(3,555,562,342)
Other:					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,430,401	74,538	131	-	2,505,070
Total other	2,430,401	74,538	131	-	2,505,070
Total additions	(2,206,163,512)	(467,152)	1,638,259	27,847,157	(2,177,145,248)
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	1,189,620,073	413,310	2,750,378	29,975,994	1,222,759,755
Refunds	18,581,557	3,510	-	-	18,585,067
Contribution distributions	3,791,831	-	-	-	3,791,831
Dividends to investors	-	-	-	-	-
Administrative expense	9,714,463	73,059	72,955	-	9,860,477
Total deductions	1,221,707,924	489,879	2,823,333	29,975,994	1,254,997,130
Change in net assets	(3,427,871,436)	(957,031)	(1,185,074)	(2,128,837)	(3,432,142,378)
Net assets, July 1	22,198,008,532	4,398,398	37,858,905	25,664,791	22,265,930,626
Net assets, June 30	$ 18,770,137,096	$ 3,441,367	$ 36,673,831	$ 23,535,954	$ 18,833,788,248

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	19,934,812	1,398,620,391	1,418,555,203
-	-	-	-	-	-	-
-	-	-	-	19,934,812	1,398,620,391	1,418,555,203
269,143	3,868,474	(2,251,734)	1,885,883	-	(922,670,663)	(922,670,663)
12,676,806	14,395,675	984,258	28,056,739	-	127,177,217	127,177,217
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,945,949	18,264,149	(1,267,476)	29,942,622	-	(795,493,446)	(795,493,446)
-	-	-	-	-	-	-
-	-	(6,349)	(6,349)	-	-	-
12,945,949	18,264,149	(1,273,825)	29,936,273	-	(795,493,446)	(795,493,446)
1,003,451,968	-	18,480,011	1,021,931,979	-	-	-
12,169,345	-	-	12,169,345	-	-	-
-	-	934	934	-	-	-
1,015,621,313	-	18,480,945	1,034,102,258	-	-	-
1,028,567,262	18,264,149	17,207,120	1,064,038,531	19,934,812	603,126,945	623,061,757
1,194,201,783	17,718,128	-	1,211,919,911	-	753,090,904	753,090,904
-	-	-	-	20,145,162	-	20,145,162
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,625,094	-	-	12,625,094	-	-	-
51,712	534,566	70,954	657,232	-	18,541,727	18,541,727
1,206,878,589	18,252,694	70,954	1,225,202,237	20,145,162	771,632,631	791,777,793
(178,311,327)	11,455	17,136,166	(161,163,706)	(210,350)	(168,505,686)	(168,716,036)
855,562,207	348,868,750	-	1,204,430,957	4,606,800	4,736,940,054	4,741,546,854
$ 677,250,880	$ 348,880,205	$ 17,136,166	$ 1,043,267,251	$ 4,396,450	$ 4,568,434,368	$ 4,572,830,818

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2009

		Intergovernmental		State Agency Fund for Bonds		Motor Vehicle		Child Support Disbursement
Assets								
Cash and pooled investments:								
Cash with treasurer	$	13,981,835	$	55,316,829	$	20,899,358	$	-
Cash in custody of other officials		-		72,393,269		3,239,403		3,961,512
Investments		-		154,842,201		-		-
Receivables:								
Taxes receivable		10,444,666		-		-		-
Intergovernmental receivables		-		-		215,958		-
Other receivables		-		-		35,829,200		-
Due from other funds		347,438,143		1,010,931		1,485,451		-
Due from fiduciary funds		11,569,272		-		240		-
Total assets	$	383,433,916	$	283,563,230	$	61,669,610	$	3,961,512
Liabilities								
Accounts payable and accruals:								
Accrued payroll and related liabilities	$	-	$	-	$	-	$	-
Intergovernmental payables		383,433,916		-		45,384,885		-
Due to fiduciary funds		-		-		11,569,272		-
Other liabilities:								
Deposits		-		283,523,238		4,546,557		-
Other liabilities		-		39,992		168,896		3,961,512
Total liabilities	$	383,433,916	$	283,563,230	$	61,669,610	$	3,961,512

Child Welfare Trust	Restitution Trust	Veterans' Custodial	State Payroll	Total
$ 41,871	$ 1,325,601	$ 1,019,849	$ 17,364,311	$ 109,949,654
-	-	-	-	79,594,184
-	-	-	-	154,842,201
-	-	-	-	10,444,666
-	-	-	-	215,958
5,594	-	-	-	35,834,794
467	657	8,891	50,536	349,995,076
-	13,804	-	-	11,583,316
$ 47,932	$ 1,340,062	$ 1,028,740	$ 17,414,847	$ 752,459,849
$ -	$ -	$ -	$ 7,250	$ 7,250
-	-	-	-	428,818,801
-	-	-	17,407,597	28,976,869
-	-	-	-	288,069,795
47,932	1,340,062	1,028,740	-	6,587,134
$ 47,932	$ 1,340,062	$ 1,028,740	$ 17,414,847	$ 752,459,849

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Intergovernmental				
Assets				
Cash with treasurer	$ 12,888,119	$ 2,765,192,814	$ 2,764,099,098	$ 13,981,835
Collateral on loaned securities	492,118	-	492,118	-
Taxes receivable	12,170,538	23,400,736	25,126,608	10,444,666
Due from other funds	424,894,894	347,438,143	424,894,894	347,438,143
Due from fiduciary funds	12,496,546	11,569,272	12,496,546	11,569,272
Total assets	$ 462,942,215	$ 3,147,600,965	$ 3,227,109,264	$ 383,433,916
Liabilities				
Intergovernmental payables	$ 462,449,697	$ 3,100,942,975	$ 3,179,958,756	$ 383,433,916
Obligations under securities lending	492,118	-	492,118	-
Other liabilities	400	-	400	-
Total liabilities	$ 462,942,215	$ 3,100,942,975	$ 3,180,451,274	$ 383,433,916
State Agency Fund for Bonds				
Assets				
Cash with treasurer	$ 48,548,929	$ 13,701,504	$ 6,933,604	$ 55,316,829
Cash in custody of other officials	81,084,414	11,292,344	19,983,489	72,393,269
Investments	145,908,926	18,421,655	9,488,380	154,842,201
Due from other funds	558,330	1,010,931	558,330	1,010,931
Total assets	$ 276,100,599	$ 44,426,434	$ 36,963,803	$ 283,563,230
Liabilities				
Deposits	$ 276,062,671	$ 42,941,341	$ 35,480,774	$ 283,523,238
Other liabilities	37,928	2,920	856	39,992
Total liabilities	$ 276,100,599	$ 42,944,261	$ 35,481,630	$ 283,563,230
Motor Vehicle				
Assets				
Cash with treasurer	$ 25,314,845	$ 1,042,018,551	$ 1,046,434,038	$ 20,899,358
Cash in custody of other officials	3,299,095	154,308	214,000	3,239,403
Intergovernmental receivables	-	215,958	-	215,958
Other receivables	34,925,506	70,572,700	69,669,006	35,829,200
Due from other funds	738,411	1,485,451	738,411	1,485,451
Due from fiduciary funds	-	240	-	240
Total assets	$ 64,277,857	$ 1,114,447,208	$ 1,117,055,455	$ 61,669,610
Liabilities				
Intergovernmental payables	$ 46,905,598	$ 1,099,240,241	$ 1,100,760,954	$ 45,384,885
Due to fiduciary funds	12,496,546	11,569,272	12,496,546	11,569,272
Deposits	4,680,791	349,336	483,570	4,546,557
Other liabilities	194,922	-	26,026	168,896
Total liabilities	$ 64,277,857	$ 1,111,158,849	$ 1,113,767,096	$ 61,669,610
Child Support Disbursement				
Assets				
Cash in custody of other officials	$ 5,156,705	$ 191,664,840	$ 192,860,033	$ 3,961,512
Total assets	$ 5,156,705	$ 191,664,840	$ 192,860,033	$ 3,961,512
Liabilities				
Other liabilities	$ 5,156,705	$ 192,010,258	$ 193,205,451	$ 3,961,512
Total liabilities	$ 5,156,705	$ 192,010,258	$ 193,205,451	$ 3,961,512
Child Welfare Trust				
Assets				
Cash with treasurer	$ 34,930	$ 231,152	$ 224,211	$ 41,871
Collateral on loaned securities	10,449	-	10,449	-
Other receivables	3,810	5,594	3,810	5,594
Due from other funds	1,052	467	1,052	467
Total assets	$ 50,241	$ 237,213	$ 239,522	$ 47,932
Liabilities				
Intergovernmental payables	$ 8,522	$ -	$ 8,522	$ -
Obligations under securities lending	10,449	-	10,449	-
Other liabilities	31,270	233,833	217,171	47,932
Total liabilities	$ 50,241	$ 233,833	$ 236,142	$ 47,932

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Restitution Trust				
Assets				
Cash with treasurer	$ 1,591,936	$ 3,657,481	$ 3,923,816	$ 1,325,601
Due from other funds	1,551	657	1,551	657
Due from fiduciary funds	27,486	13,804	27,486	13,804
Total assets	$ 1,620,973	$ 3,671,942	$ 3,952,853	$ 1,340,062
Liabilities				
Other liabilities	$ 1,620,973	$ 3,643,075	$ 3,923,986	$ 1,340,062
Total liabilities	$ 1,620,973	$ 3,643,075	$ 3,923,986	$ 1,340,062
Veterans Custodial				
Assets				
Cash with treasurer	$ 911,292	$ 504,937	$ 396,380	$ 1,019,849
Collateral on loaned securities	738,708	-	738,708	-
Due from other funds	33,242	8,891	33,242	8,891
Total assets	$ 1,683,242	$ 513,828	$ 1,168,330	$ 1,028,740
Liabilities				
Obligations under securities lending	$ 738,708	$ -	$ 738,708	$ -
Other liabilities	944,534	509,643	425,437	1,028,740
Total liabilities	$ 1,683,242	$ 509,643	$ 1,164,145	$ 1,028,740
State Payroll				
Assets				
Cash with treasurer	$ 14,081,921	$ 616,659,788	$ 613,377,398	$ 17,364,311
Due from other funds	856,285	50,536	856,285	50,536
Total assets	$ 14,938,206	$ 616,710,324	$ 614,233,683	$ 17,414,847
Liabilities				
Accrued payroll and related liabilities	$ 47,325	$ 395,706,803	$ 395,746,878	$ 7,250
Due to fiduciary funds	14,890,881	220,880,910	218,364,194	17,407,597
Total liabilities	$ 14,938,206	$ 616,587,713	$ 614,111,072	$ 17,414,847
Totals - All Agency Funds				
Assets				
Cash with treasurer	$ 103,371,972	$ 4,441,966,227	$ 4,435,388,545	$ 109,949,654
Cash in custody of other officials	89,540,214	203,111,492	213,057,522	79,594,184
Investments	145,908,926	18,421,655	9,488,380	154,842,201
Collateral on loaned securities	1,241,275	-	1,241,275	-
Taxes receivable	12,170,538	23,400,736	25,126,608	10,444,666
Intergovernmental receivables	-	215,958	-	215,958
Other receivables	34,929,316	70,578,294	69,672,816	35,834,794
Due from other funds	427,083,765	349,995,076	427,083,765	349,995,076
Due from fiduciary funds	12,524,032	11,583,316	12,524,032	11,583,316
Total assets	$ 826,770,038	$ 5,119,272,754	$ 5,193,582,943	$ 752,459,849
Liabilities				
Accrued payroll and related liabilities	$ 47,325	$ 395,706,803	$ 395,746,878	$ 7,250
Intergovernmental payables	509,363,817	4,200,183,216	4,280,728,232	428,818,801
Obligations under securities lending	1,241,275	-	1,241,275	-
Due to fiduciary funds	27,387,427	232,450,182	230,860,740	28,976,869
Deposits	280,743,462	43,290,677	35,964,344	288,069,795
Other liabilities	7,986,732	196,399,729	197,799,327	6,587,134
Total liabilities	$ 826,770,038	$ 5,068,030,607	$ 5,142,340,796	$ 752,459,849

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COMPLIANCE SECTION

<u>Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*</u>

The Honorable Kim Wallin, CMA, CFM, CPA
State Controller

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada (the State), as of and for the year ended June 30, 2009, which collectively comprise the State's basic financial statements and have issued our report thereon dated January 26, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, and the Retirement Benefits Investment Fund as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Higher Education Tuition Trust Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

<u>Internal Control Over Financial Reporting</u>:

In planning and performing our audit, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the State's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State's financial statements that is more than inconsequential will not be prevented or detected by the State's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

<u>Compliance and Other Matters</u>:

As part of obtaining reasonable assurance about whether the State's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Nevada Legislature, management of the State, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Reno, Nevada
January 26, 2010

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PART II

APPENDIX B

STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

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PART II

APPENDIX B

STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(Dollar Amounts in Thousands)

	2005	2006	2007	2008	2009
Revenues:					
Gaming taxes, fees, licenses	$ 884,820	$ 987,672	$ 1,013,323	$ 993,530	$ 865,609
Sales taxes	993,325	1,099,483	1,132,418	1,088,024	953,112
Intergovernmental	1,622,223	1,638,003	1,700,396	1,751,697	2,221,824
Other Taxes	877,160	949,734	967,179	943,210	900,824
Licenses, fees and permits	181,542	214,404	212,700	214,563	209,250
Sales and charges for services	51,349	48,322	56,291	60,854	54,303
Interest	30,365	70,409	120,503	91,737	7,606
Other	45,114	49,685	54,526	69,736	103,979
Total Revenues	4,685,898	5,057,712	5,257,336	5,213,351	5,316,507
Expenditures:					
Current:					
General government	100,845	122,521	148,010	146,808	97,674
Health and social services	1,940,195	1,983,340	2,145,702	2,229,277	2,428,459
Education and support services	1,672,187	38,201	38,619	44,375	57,077
Law, justice and public safety	327,410	374,538	418,187	444,584	450,076
Regulation of business	70,067	74,784	78,608	82,727	83,253
Recreation & resource development	100,016	110,244	117,645	137,561	111,828
Intergovernmental	168,985	1,984,536	2,278,033	2,427,716	2,552,842
Debt Service:					
Principal	795	595	482	809	842
Interest, fiscal charges	96	186	308	683	627
Debt issuance costs	252	26	172	140	63
Total Expenditures	4,380,848	4,688,971	5,225,766	5,514,680	5,782,741
Excess of (deficiency) of revenues over expenditures	305,050	368,741	31,570	(301,329)	(466,234)
Other Financing Sources (Uses):					
Capital leases	430	3,971	8,487	2,926	20
Sale of bonds	26,712	4,949	24,809	17,374	10,313
Premium on bonds	806	117	278	331	258
Sale of fixed assets	111	121	632	136	94
Transfers in	97,395	73,747	92,459	339,687	337,785
Transfers out	(232,615)	(193,375)	(234,640)	(104,465)	(89,165)
Total other financing sources (uses)	(107,161)	(110,470)	(107,975)	255,989	259,305
Special Item (one-time tax rebate)	-	(276,773)	-	-	-
Net change in fund balances	197,889	(18,502)	(76,405)	(45,340)	(206,929)
Fund balances, July 1	342,109	539,998	521,496	445,091	399,751
Fund balances, June 30	$ 539,998	$ 521,496	$ 445,091	$ 399,751	$ 192,822

Source: State of Nevada, Comprehensive Annual Financial Reports, 2005-2009.

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PART II

APPENDIX C

DECEMBER 1, 2010 ECONOMIC FORUM FORECAST

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GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 1, 2010 FORECAST
ACTUAL: FY 2008 THROUGH FY 2010 AND FORECAST: FY 2011 THROUGH FY 2013
ECONOMIC FORUM'S FORECAST FOR FY 2011, FY 2012, AND FY 2013 APPROVED AT THE DECEMBER 1, 2010, MEETING

							ECONOMIC FORUM DECEMBER 1, 2010 FORECAST					
DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL [a.]	% Change	FY 2011 FORECAST	% Change	FY 2012 FORECAST	% Change	FY 2013 FORECAST	% Change
TAXES												
TOTAL MINING TAXES AND FEES [3-FY09][19-FY10][20-FY10]	$35,131,075	26.8%	$72,355,923	106.0%	$76,847,872	6.2%	$85,350,000	11.1%	$100,000		$60,100,000	
TOTAL SALES AND USE TAX [1-FY04][1A-FY09][1B-FY09][1-FY10]	$985,739,728	-3.4%	$859,536,168	-12.8%	$784,348,571	-8.7%	$786,802,000	0.3%	$796,246,600	1.2%	$821,484,600	3.2%
TOTAL GAMING TAXES [2-FY04][3-FY04][1-FY06]	$803,946,125	-6.4%	$691,960,563	-13.9%	$668,367,995	-3.4%	$691,218,200	3.4%	$709,983,100	2.7%	$733,311,400	3.3%
LIVE ENTERTAINMENT TAX [4a-FY04][4b-FY04][2-FY06]	$131,820,221	-0.5%	$121,567,664	-7.8%	$119,719,530	-1.5%	$122,790,000	2.6%	$124,425,000	1.3%	$128,911,700	3.6%
TOTAL INSURANCE TAXES [21-FY10]	$257,367,094	-1.0%	$239,202,995	-7.1%	$234,549,230	-1.9%	$236,232,500	0.7%	$240,540,000	1.8%	$243,945,000	1.4%
MBT-NONFINANCIAL [10-FY04][5-FY06][6-FY06][2-FY10]	$263,902,120	2.5%	$253,118,727	-4.1%	$363,411,521	43.6%	$351,500,000	-3.3%	$203,800,000	-42.0%	$208,900,000	2.5%
MBT-FINANCIAL [11-FY04][5-FY06]	$20,698,297	-3.8%	$24,397,566	17.9%	$21,698,267	-11.1%	$21,300,000	-1.8%	$21,000,000	-1.4%	$21,500,000	2.4%
CIGARETTE TAX [6-FY04][2-FY09][3-FY10]	$110,418,288	-2.3%	$96,986,907	-12.2%	$88,550,857	-8.7%	$86,067,000	-2.8%	$84,318,300	-2.0%	$82,794,700	-1.8%
REAL PROPERTY TRANSFER TAX [13-FY04][8-FY06]	$85,882,799	-28.7%	$65,922,452	-23.2%	$53,315,435	-19.1%	$44,804,000	-16.0%	$42,590,000	-4.9%	$45,843,000	7.6%
ROOM TAX [5-FY09][4-FY10]					$97,671,733		$104,120,000	6.6%				
GOVERNMENTAL SERVICES TAX [5-FY10]					$51,330,663		$61,596,800	20.0%	$61,750,800	0.3%	$62,213,900	0.7%
LIQUOR TAX [5-FY04][2-FY09][7-FY10]	$39,434,816	1.3%	$36,980,883	-6.2%	$38,425,078	3.9%	$38,753,000	0.9%	$39,194,700	1.1%	$39,660,300	1.2%
OTHER TOBACCO TAX [7-FY04][2-FY09][8-FY10]	$8,840,580	0.0%	$9,140,387	3.4%	$9,574,952	4.8%	$10,031,000	4.8%	$10,118,000	0.9%	$10,341,500	2.2%
HECC TRANSFER	$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000	
BUSINESS LICENSE FEE [8-FY04][3-FY06][4-FY06][6-FY10]	$19,566,390	-2.2%	$22,516,702	15.1%	$41,940,370	86.3%	$54,068,600	28.9%	$29,521,800	-45.4%	$29,521,800	
BUSINESS LICENSE TAX [9-FY04]	$13,983	-94.2%	$3,228	-76.9%	$8,381	159.6%	$15,000	79.0%	$5,000	-66.7%	$5,000	
BRANCH BANK EXCISE TAX [12-FY04][7-FY06]	$3,142,650	3.7%	$3,131,495	-0.4%	$3,378,900	7.9%	$3,084,000	-8.7%	$3,087,000	0.1%	$3,105,000	0.6%
TAX AMNESTY [22-FY10]												
TOTAL TAXES	$2,770,904,166	-4.1%	$2,501,821,658	-9.7%	$2,658,139,354	6.2%	$2,702,732,100	1.7%	$2,371,680,300	-12.2%	$2,496,637,900	5.3%
LICENSES												
INSURANCE LICENSES	$14,500,714	5.8%	$14,738,011	1.6%	$15,376,278	4.3%	$16,000,000	4.1%	$16,160,000	1.0%	$16,321,600	1.0%
MARRIAGE LICENSES	$490,094	-4.3%	$446,691	-8.9%	$419,295	-6.1%	$410,800	-2.0%	$399,900	-2.7%	$389,200	-2.7%
TOTAL SECRETARY OF STATE [14-FY04][9-FY10][23-FY10]	$100,565,232	1.3%	$93,199,502	-7.3%	$90,962,300	-2.4%	$92,817,200	2.0%	$92,817,200		$92,817,200	
PRIVATE SCHOOL LICENSES	$217,403	-12.7%	$204,973	-5.7%	$207,304	1.1%	$209,000	0.8%	$213,800	2.3%	$210,400	-1.6%
PRIVATE EMPLOYMENT AGENCY	$18,700	2.2%	$17,200	-8.0%	$14,700	-14.5%	$13,000	-11.6%	$13,000		$13,000	
TOTAL REAL ESTATE [15-FY04][16-FY04]	$2,884,718	-8.7%	$2,642,679	-8.4%	$2,610,174	-1.2%	$2,482,900	-4.9%	$4,849,900	95.3%	$4,613,600	-4.9%
ATHLETIC COMMISSION FEES [24-FY10]	$3,200,947	-24.6%	$3,458,904	8.1%	$2,946,092	-14.8%	$4,080,300	38.5%	$4,100,000	0.5%	$4,200,000	2.4%
TOTAL LICENSES	$121,877,809	0.6%	$114,707,960	-5.9%	$112,536,143	-1.9%	$116,013,200	3.1%	$118,553,800	2.2%	$118,565,000	0.0%
FEES AND FINES												
VITAL STATISTICS FEES [17-FY04][25-FY10]	$979,552	-1.1%	$820,274	-16.3%	$791,398	-3.5%	$1,083,700	36.9%	$1,226,100	13.1%	$1,226,100	
DIVORCE FEES	$201,111	-0.4%	$211,254	5.0%	$187,816	-11.1%	$186,200	-0.9%	$184,900	-0.7%	$183,600	-0.7%
CIVIL ACTION FEES	$1,530,101	5.8%	$1,653,016	8.0%	$1,438,379	-13.0%	$1,463,100	1.7%	$1,487,800	1.7%	$1,512,500	1.7%
INSURANCE FEES	$2,143,195	142.8%	$1,177,780	-45.0%	$816,140	-30.7%	$1,000,000	22.5%	$1,000,000		$1,000,000	
MEDICAL PLAN DISCOUNT REGISTRATION FEES	$12,000	33.3%	$10,000	-16.7%	$10,500	5.0%	$12,000	14.3%	$11,000	-8.3%	$11,500	4.5%
TOTAL REAL ESTATE FEES	$957,184	-24.5%	$793,128	-17.1%	$687,123	-13.4%	$608,300	-11.5%	$637,300	4.8%	$629,000	-1.3%
SHORT-TERM CAR LEASE [4-FY09][10-FY10]	$29,792,195	0.0%	$27,519,640	-7.6%	$33,579,292	22.0%	$36,254,000	8.0%	$35,801,000	-1.2%	$35,989,000	0.5%
ATHLETIC COMMISSION LICENSES/FINES	$482,325	-17.6%	$149,853	-68.9%	$179,125	19.5%	$188,100	5.0%	$188,100		$188,100	
WATER PLANNING FEES												
STATE ENGINEER SALES [11-FY10]	$2,272,980	5.0%	$2,146,733	-5.6%	$3,026,422	41.0%	$2,400,000	-20.7%	$2,400,000		$2,400,000	
SUPREME COURT FEES	$220,335	0.9%	$202,498	-8.1%	$202,075	-0.2%	$202,100	0.0%	$202,100		$202,100	
NOTICE OF DEFAULT FEES [26-FY10]					$2,442,525		$9,106,000		$8,649,500		$8,383,500	
MISC. FINES/FORFEITURES	$2,400,455	-8.8%	$6,185,720	157.7%	$1,896,987	-69.3%	$1,429,900	-24.6%	$1,403,700	-1.8%	$1,407,900	0.3%
TOTAL FEES AND FINES	$40,991,433	2.0%	$40,869,894	-0.3%	$45,257,781	10.7%	$53,933,400	19.2%	$53,191,500	-1.4%	$53,133,300	-0.1%
USE OF MONEY AND PROPERTY												
LYON COUNTY REPAYMENTS												
OTHER REPAYMENTS [18-FY04]	$5,145,859	77.1%	$4,556,312	-11.5%	$1,591,661	-65.1%	$1,097,202	-31.1%	$453,594	-58.7%	$453,594	
MARLETTE REPAYMENT	$10,512		$10,512		$10,512		$10,512		$10,512		$10,024	-4.6%
INTEREST INCOME	$56,336,346	6.5%	$18,505,161	-67.2%	$2,386,259	-87.1%	$1,566,000	-34.4%	$3,323,000	112.2%	$6,147,000	85.0%
TOTAL USE OF MONEY AND PROPERTY	$61,492,717	10.1%	$23,071,985	-62.5%	$3,988,432	-82.7%	$2,673,714	-33.0%	$3,787,106	41.6%	$6,610,618	74.6%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 1, 2010 FORECAST
ACTUAL: FY 2008 THROUGH FY 2010 AND FORECAST: FY 2011 THROUGH FY 2013
ECONOMIC FORUM'S FORECAST FOR FY 2011, FY 2012, AND FY 2013 APPROVED AT THE DECEMBER 1, 2010, MEETING

							ECONOMIC FORUM DECEMBER 1, 2010 FORECAST					
DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL [a.]	% Change	FY 2011 FORECAST	% Change	FY 2012 FORECAST	% Change	FY 2013 FORECAST	% Change
OTHER REVENUE												
HOOVER DAM REVENUE	$300,000		$300,000		$300,000		$300,000		$300,000		$300,000	
PROPERTY TAX: 4-CENT OPERATING RATE [13-FY10]					$36,448,071		$28,167,000					
PROPERTY TAX: 5-CENT CAPITAL RATE [14-FY10]					$34,690,823		$22,533,000					
ROOM TAX: STATE 3/8 OF 1% RATE [15-FY10]					$2,334,563		$3,265,400					
INSURANCE VERIFICATION FEES [17-FY10]					$7,000,000		$2,500,000					
SUPPL. ACCOUNT FOR MED. ASSIST. TO INDIGENT [18-FY10]					$25,199,365		$20,311,600					
CLEAN WATER COALITION - CLARK COUNTY [27-FY10]							$62,000,000					
LOBBYIST REGISTRATION FEE [28-FY10]							$100,000					
COURT ADMINISTRATIVE ASSESSMENTS [16-FY10]					$4,580,172		$4,580,200					
COURT ADMINISTRATIVE ASSESSMENT FEE [29-FY10]					$271,461		$2,150,100		$2,149,700		$2,149,700	
MISC. SALES AND REFUNDS	$2,383,105	-52.6%	$1,334,234	-44.0%	$923,196	-30.8%	$1,066,900	15.6%	$871,300	-18.3%	$872,600	0.1%
COST RECOVERY PLAN	$7,139,068	-31.7%	$7,142,251	0.0%	$9,148,627	28.1%	$9,137,700	-0.1%	$9,137,700		$9,137,700	
PETROLEUM INSPECTION FEES												
UNCLAIMED PROPERTY [9-FY06][5-FY09][12-FY10][30-FY10][31-FY10]	$49,179,534	109.6%	$50,092,050	1.9%	$66,201,764	32.2%	$56,376,400	-14.8%	$45,558,500	-19.2%	$45,570,200	0.0%
TOTAL OTHER REVENUE	$59,001,707	48.0%	$58,868,534	-0.2%	$187,098,042	217.8%	$212,488,300	13.6%	$58,017,200	-72.7%	$58,030,200	0.0%
TOTAL GENERAL FUND REVENUE	$3,054,267,831	-2.9%	$2,739,340,032	-10.3%	$3,007,019,753	9.8%	$3,087,840,714	2.7%	$2,605,229,906	-15.6%	$2,732,977,018	4.9%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 1, 2010 FORECAST
ACTUAL: FY 2008 THROUGH FY 2010 AND FORECAST: FY 2011 THROUGH FY 2013
ECONOMIC FORUM'S FORECAST FOR FY 2011, FY 2012, AND FY 2013 APPROVED AT THE DECEMBER 1, 2010, MEETING

							ECONOMIC FORUM DECEMBER 1, 2010 FORECAST					
DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL [a.]	% Change	FY 2011 FORECAST	% Change	FY 2012 FORECAST	% Change	FY 2013 FORECAST	% Change
TAXES												
MINING TAX AND MINING CLAIMS FEE												
3064 Net Proceeds of Minerals [3-FY09][19-FY10]	$34,685,775	25.3%	$72,300,385	108.4%	$76,350,861	5.6%	$66,500,000	-12.9%			$60,000,000	
3241 Net Proceeds Penalty	$292,867		$5,889		$301,761		$50,000	-83.4%	$50,000		$50,000	
3245 Centrally Assessed Penalties	$152,433	1366.2%	$49,649	-67.4%	$178,099	258.7%	$50,000	-71.9%	$50,000		$50,000	
3116 Mining Claims Fee [20-FY10]					$17,150		$18,750,000					
TOTAL MINING TAXES AND FEES	$35,131,075	26.8%	$72,355,923	106.0%	$76,847,872	6.2%	$85,350,000	11.1%	$100,000		$60,100,000	
SALES AND USE												
3001 Sales & Use Tax [1-FY04][1A-FY09][1-FY10]	$966,101,313	-3.4%	$842,380,933	-12.8%	$755,344,243	-10.3%	$757,383,000	0.3%	$767,444,000	1.3%	$791,769,000	3.2%
3002 State Share - LSST [1-FY04][1B-FY09][1-FY10]	$7,916,522	-4.6%	$6,896,561	-12.9%	$7,264,043	5.3%	$7,384,500	1.7%	$6,475,300	-12.3%	$6,680,600	3.2%
3003 State Share - BCCRT [1-FY04][1B-FY09][1-FY10]	$1,759,335	-4.6%	$1,532,383	-12.9%	$3,268,705	113.3%	$3,313,600	1.4%	$3,357,600	1.3%	$3,464,000	3.2%
3004 State Share - SCCRT [1-FY04][1B-FY09][1-FY10]	$6,156,358	-4.6%	$5,361,782	-12.9%	$11,442,957	113.4%	$11,597,400	1.3%	$11,751,500	1.3%	$12,124,000	3.2%
3005 State Share - PTT [1-FY04][1B-FY09][1-FY10]	$3,806,200	-3.7%	$3,364,510	-11.6%	$7,028,623	108.9%	$7,123,500	1.3%	$7,218,200	1.3%	$7,447,000	3.2%
TOTAL SALES AND USE	$985,739,728	-3.4%	$859,536,168	-12.8%	$784,348,571	-8.7%	$786,802,000	0.3%	$796,246,600	1.2%	$821,484,600	3.2%
GAMING - STATE												
3032 Pari-mutuel Tax	$4,920	16.1%	$3,983	-19.0%	$4,217	5.9%	$4,000	-5.1%	$4,000		$4,000	
3181 Racing Fees	$15,542	1.5%	$15,460	-0.5%	$13,513	-12.6%	$13,000	-3.8%	$13,000		$13,000	
3247 Racing Fines/Forfeitures	$2,150	-30.6%	$2,789	29.7%	$810	-71.0%	$1,000	23.5%	$1,000		$1,000	
3041 Percent Fees - Gross Revenue [2-FY04]	$770,965,236	-6.0%	$655,199,442	-15.0%	$630,526,019	-3.8%	$658,556,000	4.4%	$679,529,000	3.2%	$702,158,000	3.3%
3042 Gaming Penalties	$670,688	88.2%	$847,125	26.3%	$1,030,064	21.6%	$1,000,000	-2.9%	$875,000	-12.5%	$875,000	
3043 Flat Fees-Restricted Slots [3-FY04][1-FY06][1-FY08]	$9,507,690	-1.1%	$8,999,245	-5.3%	$8,578,006	-4.7%	$8,381,500	-2.3%	$8,265,900	-1.4%	$8,409,600	1.7%
3044 Non-Restricted Slots [1-FY06][1-FY08]	$12,771,871	-2.5%	$12,662,476	-0.9%	$12,425,211	-1.9%	$12,358,600	-0.5%	$12,449,500	0.7%	$12,623,300	1.4%
3045 Quarterly Fees-Games	$6,990,365	-3.1%	$6,926,985	-0.9%	$6,699,150	-3.3%	$6,675,100	-0.4%	$6,709,800	0.5%	$6,787,800	1.2%
3046 Advance License Fees	$2,599,278	-66.8%	$6,872,554	164.4%	$8,663,395	26.1%	$3,781,500	-56.4%	$1,700,000	-55.0%	$2,000,000	17.6%
3048 Slot Machine Route Operator	$36,000	-4.0%	$37,000	2.8%	$37,000		$37,500	1.4%	$38,500	2.7%	$39,000	1.3%
3049 Gaming Info Systems Annual	$18,356		$18,000		$12,000		$12,000		$12,000		$12,000	
3033 Equip Mfg. License	$209,500	0.5%	$219,000	4.5%	$228,500	4.3%	$229,000	0.2%	$231,000	0.9%	$234,000	1.3%
3034 Race Wire License	$35,196	-61.8%	$19,007	-46.0%	$15,884	-16.4%	$32,000	101.5%	$35,000	9.4%	$40,000	14.3%
3035 Annual Fees on Games	$119,333	13.9%	$137,497	15.2%	$134,225	-2.4%	$137,000	2.1%	$119,400	-12.8%	$114,700	-3.9%
TOTAL GAMING - STATE	$803,946,125	-6.4%	$691,960,563	-13.9%	$668,367,995	-3.4%	$691,218,200	3.4%	$709,983,100	2.7%	$733,311,400	3.3%
LIVE ENTERTAINMENT TAX (LET)												
3031G Live Entertainment Tax-Gaming [4b-FY04]	$121,638,259	0.0%	$112,405,395	-7.6%	$108,244,011	-3.7%	$109,863,000	1.5%	$112,502,000	2.4%	$116,517,000	3.6%
3031NG Live Entertainment Tax-Nongaming [4b-FY04][2-FY06][2-FY08]	$10,181,962	-6.1%	$9,162,269	-10.0%	$11,475,519	25.2%	$12,927,000	12.6%	$11,923,000	-7.8%	$12,394,700	4.0%
TOTAL LET	$131,820,221	-0.5%	$121,567,664	-7.8%	$119,719,530	-1.5%	$122,790,000	2.6%	$124,425,000	1.3%	$128,911,700	3.6%
INSURANCE TAXES												
3061 Insurance Premium Tax [21-FY10]	$256,693,189	-1.0%	$238,524,098	-7.1%	$233,905,463	-1.9%	$235,600,000	0.7%	$239,900,000	1.8%	$243,300,000	1.4%
3062 Insurance Retaliatory Tax	$120,501	120.3%	$98,528	-18.2%	$60,019	-39.1%	$70,000	16.6%	$70,000		$70,000	
3067 Captive Insurer Premium Tax	$553,405		$580,370		$583,747		$562,500	-3.6%	$570,000	1.3%	$575,000	0.9%
TOTAL INSURANCE TAXES	$257,367,094	-1.0%	$239,202,995	-7.1%	$234,549,230	-1.9%	$236,232,500	0.7%	$240,540,000	1.8%	$243,945,000	1.4%
MODIFIED BUSINESS TAX (MBT)												
3069 MBT - Nonfinancial [10-FY04][5-FY06][6-FY06][3-FY08][2-FY10]	$263,902,120	2.5%	$253,118,727	-4.1%	$363,411,521	43.6%	$351,500,000	-3.3%	$203,800,000	-42.0%	$208,900,000	2.5%
3069 MBT - Financial [11-FY04][5-FY06]	$20,698,297	-3.8%	$24,397,566	17.9%	$21,698,267	-11.1%	$21,300,000	-1.8%	$21,000,000	-1.4%	$21,500,000	2.4%
TOTAL MBT	$284,600,418		$277,516,292		$385,109,788		$372,800,000	-3.2%	$224,800,000	-39.7%	$230,400,000	2.5%
CIGARETTE TAX												
3052 Cigarette Tax [6-FY04][2-FY09][3-FY10]	$110,418,288	-2.3%	$96,986,907	-12.2%	$88,550,857	-8.7%	$86,067,000	-2.8%	$84,318,300	-2.0%	$82,794,700	-1.8%
REAL PROPERTY TRANSFER TAX (RPTT)												
3055 Real Property Transfer Tax [13-FY04][8-FY06]	$85,882,799	-28.7%	$65,922,452	-23.2%	$53,315,435	-19.1%	$44,804,000	-16.0%	$42,590,000	-4.9%	$45,843,000	7.6%
ROOM TAX												
3057 Room Tax [4-FY10]					$97,671,733		$104,120,000					
GOVERMENTAL SERVICES TAX (GST)												
3051 Govermental Services Tax [5-FY10]					$51,330,663		$61,596,800	20.0%	$61,750,800	0.3%	$62,213,900	0.7%
OTHER TAXES												
3113 Business License Fee [8-FY04][3-FY06][4-FY06][6-FY10]	$19,566,390		$22,516,702		$41,940,370		$54,068,600	28.9%	$29,521,800	-45.4%	$29,521,800	
3050 Liquor Tax [5-FY04][2-FY09][7-FY10]	$39,434,816	1.3%	$36,980,883	-6.2%	$38,425,078	3.9%	$38,753,000	0.9%	$39,194,700	1.1%	$39,660,300	1.2%
3053 Other Tobacco Tax [7-FY04][2-FY09][8-FY10]	$8,840,580	0.0%	$9,140,387	3.4%	$9,574,952	4.8%	$10,031,000	4.8%	$10,118,000	0.9%	$10,341,500	2.2%
4862 HECC Transfer	$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000	
3065 Business License Tax [9-FY04]	$13,983	-94.2%	$3,228	-76.9%	$8,381	159.6%	$15,000	79.0%	$5,000	-66.7%	$5,000	
3068 Branch Bank Excise Tax [12-FY04][7-FY06]	$3,142,650	3.7%	$3,131,495	-0.4%	$3,378,900	7.9%	$3,084,000	-8.7%	$3,087,000	0.1%	$3,105,000	0.6%
TOTAL TAXES	$2,770,904,166	-4.1%	$2,501,821,658	-9.7%	$2,658,139,354	6.2%	$2,702,732,100	1.7%	$2,371,680,300	-12.2%	$2,496,637,900	5.3%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 1, 2010 FORECAST
ACTUAL: FY 2008 THROUGH FY 2010 AND FORECAST: FY 2011 THROUGH FY 2013
ECONOMIC FORUM'S FORECAST FOR FY 2011, FY 2012, AND FY 2013 APPROVED AT THE DECEMBER 1, 2010, MEETING

							ECONOMIC FORUM DECEMBER 1, 2010 FORECAST					
DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL [a.]	% Change	FY 2011 FORECAST	% Change	FY 2012 FORECAST	% Change	FY 2013 FORECAST	% Change
LICENSES												
3101 Insurance Licenses	$14,500,714	5.8%	$14,738,011	1.6%	$15,376,278	4.3%	$16,000,000	4.1%	$16,160,000	1.0%	$16,321,600	1.0%
3120 Marriage License	$490,094	-4.3%	$446,691	-8.9%	$419,295	-6.1%	$410,800	-2.0%	$399,900	-2.7%	$389,200	-2.7%
SECRETARY OF STATE												
3105 UCC [1-FY02][14-FY04][23-FY10]	$1,610,231	-3.1%	$1,270,498	-21.1%	$1,326,105	4.4%	$1,352,600	2.0%	$1,352,600		$1,352,600	
3106 Las Vegas Commercial Filings [14-FY04][9-FY10][23-FY10]	$4,813,335	-0.8%	$5,946,777	23.5%	$3,487,231	-41.4%	$3,557,000		$3,557,000		$3,557,000	
3129 Notary Fees [23-FY10]	$605,618	-5.1%	$675,360	11.5%	$573,417	-15.1%	$594,600	3.7%	$594,600		$594,600	
3130 Commercial Recordings [14-FY04][9-FY10][23-FY10]	$72,249,142	0.2%	$64,913,240	-10.2%	$65,197,355	0.4%	$66,501,300	-3.2%	$66,501,300		$66,501,300	
3131 Video Service Franchise	$114,750		$7,000		$28,500							
3121 Domestic Partnership Registry Fee [23-FY10]							$55,000		$55,000		$55,000	
3152 Securities [14-FY04][23-FY10]	$21,172,156	6.0%	$20,386,627	-3.7%	$20,349,692	-0.2%	$20,756,700	2.0%	$20,756,700		$20,756,700	
TOTAL SECRETARY OF STATE	$100,565,232	1.3%	$93,199,502	-7.3%	$90,962,300	-2.4%	$92,817,200	2.0%	$92,817,200		$92,817,200	
3172 Private School Licenses	$217,403	-12.7%	$204,973	-5.7%	$207,304	1.1%	$209,000	0.8%	$213,800	2.3%	$210,400	-1.6%
3173 Private Employment Agency	$18,700	2.2%	$17,200	-8.0%	$14,700	-14.5%	$13,000	-11.6%	$13,000		$13,000	
REAL ESTATE												
3161 Real Estate License [15-FY04]	$2,881,208	-8.7%	$2,636,964	-8.5%	$2,605,804	-1.2%	$2,479,000	-4.9%	$4,846,000	95.5%	$4,610,000	-4.9%
3162 Real Estate Fees	$3,510	-40.2%	$5,715	62.8%	$4,370	-23.5%	$3,900	-10.8%	$3,900		$3,600	-7.7%
TOTAL REAL ESTATE	$2,884,718	-8.7%	$2,642,679	-8.4%	$2,610,174	-1.2%	$2,482,900	-4.9%	$4,849,900	95.3%	$4,613,600	-4.9%
3102 Athletic Commission Fees [24-FY10]	$3,200,947	-24.6%	$3,458,904	8.1%	$2,946,092	-14.8%	$4,080,300	38.5%	$4,100,000	0.5%	$4,200,000	2.4%
TOTAL LICENSES	$121,877,809	0.6%	$114,707,960	-5.9%	$112,536,143	-1.9%	$116,013,200	3.1%	$118,553,800	2.2%	$118,565,000	0.0%
FEES AND FINES												
3200 Vital Statistics Fees [17-FY04][25-FY10]	$979,552	-1.1%	$820,274	-16.3%	$791,398	-3.5%	$1,083,700	36.9%	$1,226,100	13.1%	$1,226,100	
3203 Divorce Fees	$201,111	-0.4%	$211,254	5.0%	$187,816	-11.1%	$186,200	-0.9%	$184,900	-0.7%	$183,600	-0.7%
3204 Civil Action Fees	$1,530,101	5.8%	$1,653,016	8.0%	$1,438,379	-13.0%	$1,463,100	1.7%	$1,487,800	1.7%	$1,512,500	1.7%
3242 Insurance Fines	$2,143,195	142.8%	$1,177,780	-45.0%	$816,140	-30.7%	$1,000,000	22.5%	$1,000,000		$1,000,000	
3103MD Medical Plan Discount Reg. Fees	$12,000	33.3%	$10,000	-16.7%	$10,500	5.0%	$12,000	14.3%	$11,000	-8.3%	$11,500	4.5%
REAL ESTATE FEES												
3107IOS IOS Application Fees	$4,200	-33.6%	$6,560	56.2%	$11,100	69.2%	$8,000	-27.9%	$8,000		$8,000	
3165 Land Co Filing Fees	$267,496	-29.0%	$187,575	-29.9%	$133,270	-29.0%	$90,000	-32.5%	$108,000	20.0%	$97,000	-10.2%
3166 Land Co Reg Rep Filing Fees												
3167 Real Estate Adver Fees	$8,610	4.4%	$6,080	-29.4%	$4,115	-32.3%	$3,200	-22.2%	$3,200		$2,900	-9.4%
3169 Real Estate Reg Fees	$31,870	-24.4%	$22,695	-28.8%	$14,920	-34.3%	$9,000	-39.7%	$9,000		$10,000	11.1%
4741 Real Estate Exam Fees [19-FY04]	$341,139		$237,828		$234,133		$234,100	0.0%	$234,100		$234,100	
3171 CAM Certification Fee	$48,850		$54,590		$57,645		$58,000	0.6%	$59,000	1.7%	$60,000	1.7%
3178 Real Estate Accred Fees	$126,750	-3.3%	$101,950	-19.6%	$89,650	-12.1%	$72,000	-19.7%	$81,000	12.5%	$81,000	
3254 Real Estate Penalties	$88,019	-4.9%	$134,340	52.6%	$83,320	-38.0%	$82,000	-1.6%	$82,000		$82,000	
3190 A.B. 165, Real Estate Inspectors	$40,250	-9.8%	$41,510	3.1%	$58,970	42.1%	$52,000	-11.8%	$53,000	1.9%	$54,000	1.9%
TOTAL REAL ESTATE FEES	$957,184	-24.5%	$793,128	-17.1%	$687,123	-13.4%	$608,300	-11.5%	$637,300	4.8%	$629,000	-1.3%
3066 Short Term Car Lease [4-FY09][10-FY10]	$29,792,195	0.0%	$27,519,640	-7.6%	$33,579,292	22.0%	$36,254,000	8.0%	$35,801,000	-1.2%	$35,989,000	0.5%
3103AC Athletic Commission Licenses/Fines	$482,325		$149,853		$179,125		$188,100	5.0%	$188,100		$188,100	
3205 State Engineer Sales [11-FY10]	$2,272,980	5.0%	$2,146,733	-5.6%	$3,026,422	41.0%	$2,400,000	-20.7%	$2,400,000		$2,400,000	
3206 Supreme Court Fees	$220,335	0.9%	$202,498	-8.1%	$202,075	-0.2%	$202,100	0.0%	$202,100		$202,100	
3115 Notice of Default Fee [26-FY10]					$2,442,525		$9,106,000		$8,649,500	-5.0%	$8,383,500	-3.1%
3271 Misc Fines/Forfeitures	$2,400,455	-8.8%	$6,185,720	157.7%	$1,896,987	-69.3%	$1,429,900	-24.6%	$1,403,700	-1.8%	$1,407,900	0.3%
TOTAL FEES AND FINES	$40,991,433	2.0%	$40,869,894	-0.3%	$45,257,781	10.7%	$53,933,400	19.2%	$53,191,500	-1.4%	$53,133,300	-0.1%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 1, 2010 FORECAST
ACTUAL: FY 2008 THROUGH FY 2010 AND FORECAST: FY 2011 THROUGH FY 2013
ECONOMIC FORUM'S FORECAST FOR FY 2011, FY 2012, AND FY 2013 APPROVED AT THE DECEMBER 1, 2010, MEETING

							ECONOMIC FORUM DECEMBER 1, 2010 FORECAST					
DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL [a.]	% Change	FY 2011 FORECAST	% Change	FY 2012 FORECAST	% Change	FY 2013 FORECAST	% Change
USE OF MONEY AND PROP												
4420 Lyon County Repayments												
OTHER REPAYMENTS												
4401 Higher Education Tuition Admin	$2,188,014		$1,160,577									
4403 Forestry Nurseries Fund Repayment (05-M27)	$26,250		$15,090		$20,670		$20,670		$20,670		$20,670	
4404 Bldg. and Grounds Repayments	$47,413		$333,643									
4404 CIP 95-C14, Mailroom Remodel	$21,122		$190,102									
4408 Comp/Fac Repayment	$23,744		$23,744		$23,744		$23,744		$23,744		$23,744	
4408 CIP 95-M1, Security Alarm	$2,998		$2,998		$2,998		$2,998		$2,998		$2,998	
4408 CIP 95-M5, Facility Generator	$6,874		$6,874		$6,874		$6,874		$6,874		$6,874	
4408 CIP 95-S4F, Advance Planning	$1,000		$1,000		$1,000		$1,000		$1,000		$1,000	
4408 CIP 97-C26, Capitol Complex Conduit System, Phase I	$62,542		$62,542		$62,542		$62,542		$62,542		$62,542	
4408 CIP 97-S4H, Advance Planning Addition to Computer Facility	$9,107		$9,107		$9,107		$9,107		$9,107		$9,107	
4408 S.B. 201, 1997; Cost of PBX System	$249,967		$249,967									
4408 A.B. 576-Virtual Tape Storage	$463,444		$463,444		$463,444							
4408 DoIT Repayment - April 9, 2008 IFC	$348,240		$197,258									
4409 Motor Pool Repay - Carson												
4409 Motor Pool Repay - Reno	$24,385		$24,385		$24,385							
4409 Motor Pool Repay - LV	$6,638		$6,638		$6,630							
4410 Purchasing Repayment	$19,326		$164,148									
4402 State Personnel IFS Repayment; S.B. 201, 1997 Legislature	$1,644,795		$1,644,795		$970,267		$970,267		$326,659		$326,659	
TOTAL OTHER REPAYMENTS	$5,145,859	77.1%	$4,556,312	-11.5%	$1,591,661	-65.1%	$1,097,202	-31.1%	$453,594	-58.7%	$453,594	
4406 Marlette Repayment	$10,512		$10,512		$10,512		$10,512		$10,512		$10,024	
INTEREST INCOME												
3290 Treasurer	$55,876,491	6.6%	$18,363,013	-67.1%	$2,373,219	-87.1%	$1,466,000	-38.2%	$3,310,000	125.8%	$6,134,000	85.3%
3291 Other	$459,855	-10.1%	$142,148	-69.1%	$13,041	-90.8%	$100,000	666.8%	$13,000	-87.0%	$13,000	
TOTAL INTEREST INCOME	$56,336,346	6.5%	$18,505,161	-67.2%	$2,386,259	-87.1%	$1,566,000	-34.4%	$3,323,000	112.2%	$6,147,000	85.0%
TOTAL USE OF MONEY & PROP	$61,492,717	10.1%	$23,071,985	-62.5%	$3,988,432	-82.7%	$2,673,714	-33.0%	$3,787,106	41.6%	$6,610,618	74.6%
OTHER REVENUE												
3059 Hoover Dam Revenue	$300,000		$300,000		$300,000		$300,000		$300,000		$300,000	
MISC SALES AND REFUNDS												
3071 Property Tax: 4-cent operating rate (Clark & Washoe) [13-FY10]					$36,448,071		$28,167,000					
3070 Property Tax: 5-cent capital rate (Clark & Washoe) [14-FY10]					$34,690,823		$22,533,000					
4792 Room Tax: State 3/8 of 1% Rate [15-FY10]					$2,334,563		$3,265,400					
4791 Insurance Verification Fees [17-FY10]					$7,000,000		$2,500,000					
4790 Suppl. Account for Med. Assist. to Indigent [18-FY10]					$25,199,365		$20,311,600					
3081 Clean Water Coalition - Clark County [27-FY10]							$62,000,000					
4793 Lobbyist Registration Fee [28-FY10]							$100,000					
3107 Misc Fees	$197,310	21.6%	$182,332	-7.6%	$252,176	38.3%	$429,200	70.2%	$231,400	-46.1%	$231,600	0.1%
3109 Court Admin Assessments [16-FY10]	$1,386,084		$381,525		$4,580,172		$4,580,200	0.0%				
3114 Court Administrative Assessment Fee [29-FY10]					$271,461		$2,150,100		$2,149,700		$2,149,700	
3150 Telemarketing Fees	$97,250	-18.5%	$91,050	-6.4%								
3168 Declare of Candidacy Filing Fee	$40,615	2.8%	$32,272	-20.5%	$63,767	97.6%	$30,000	-53.0%	$30,000		$30,000	
3202 Fees & Writs of Garnishments	$2,180	-9.4%	$2,715	24.5%	$3,130	15.3%	$3,300	5.4%	$3,500	6.1%	$3,600	2.9%
3220 Nevada Report Sales	$30,235	74.4%	$12,800	-57.7%	$9,335	-27.1%	$10,000	7.1%	$10,000		$10,000	
3222 Excess Property Sales	$41,215	-92.3%	$38,715	-6.1%	$32,385	-16.3%	$37,400	15.5%	$37,400		$37,400	
3240 Sale of Trust Property	$1,014	-87.8%	$2,124	109.4%	$3,038	43.0%	$3,000	-1.3%	$3,000		$3,000	
3243 Insurance - Misc	$514,555	3.9%	$522,920	1.6%	$516,856	-1.2%	$513,000	-0.7%	$514,000	0.2%	$515,000	0.2%
3250 Telemarketing Fines	$10,000											
3272 Misc Refunds	$878	-43.2%	$3,287	274.2%		-100.0%						
3274 Misc Refunds	$61,769	24.2%	$64,494	4.4%	$42,508	-34.1%	$41,000	-3.5%	$42,000	2.4%	$42,000	
3276 Cost Recovery Plan	$7,139,068	-31.7%	$7,142,251	0.0%	$9,148,627	28.1%	$9,137,700	-0.1%	$9,137,700		$9,137,700	
TOTAL MISC SALES & REF	$9,522,173	-38.5%	$8,476,485	-11.0%	$120,596,278	1322.7%	$155,811,900	29.2%	$12,158,700	-92.2%	$12,160,000	0.0%
3060 Petroleum Inspection Fees [4-FY08]												
3255 Unclaimed Property [9-FY06][5-FY09][12-FY10][30-FY10][31-FY10]	$49,179,534	109.6%	$50,092,050	1.9%	$66,201,764	32.2%	$56,376,400	-14.8%	$45,558,500	-19.2%	$45,570,200	0.0%
TOTAL OTHER REVENUE	$59,001,707	48.0%	$58,868,534	-0.2%	$187,098,042	217.8%	$212,488,300	13.6%	$58,017,200	-72.7%	$58,030,200	0.0%
TOTAL GENERAL FUND REVENUE	$3,054,267,831	-2.9%	$2,739,340,032	-10.3%	$3,007,019,753	9.8%	$3,087,840,714	2.7%	$2,605,229,906	-15.6%	$2,732,977,018	4.9%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 1, 2010 FORECAST
ACTUAL: FY 2008 THROUGH FY 2010 AND FORECAST: FY 2011 THROUGH FY 2013
ECONOMIC FORUM'S FORECAST FOR FY 2011, FY 2012, AND FY 2013 APPROVED AT THE DECEMBER 1, 2010, MEETING

							ECONOMIC FORUM DECEMBER 1, 2010 FORECAST					
DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL [a.]	% Change	FY 2011 FORECAST	% Change	FY 2012 FORECAST	% Change	FY 2013 FORECAST	% Change

NOTES:

[a.] Subject to adjustment based on reconciliation with the Controller's Office and Budget Division

FY 2003-04 (Actual collections are not displayed in the table for FY 2004, but notes were retained as they reflect the tax changes approved by the Legislature during the 2003 Regular and Special Sessions.

FY 2004

[1-FY04] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the sales tax to the state from 1.25% to 0.5%, effective July 1, 2003.

[2-FY04] S.B. 8 (20th S.S.) increased gross gaming tax rates by 0.5%: 3.0% to 3.5% on monthly revenue up to $50,000; 4.0% to 4.5% on revenue over $50,000 and up to $134,000; 6.25% to 6.75% on revenue exceeding $134,000, effective August 1, 2003

[3-FY04] S.B. 8 (20th S.S.) increased quarterly restricted slot fees by 33%: from $61 to $81 per machine, up to 5 machines; from $106 to $141 for each machine over 5, up to 15 machines, effective July 22, 2003.

[4a-FY04] S.B. 8 (20th S.S.) modified types of establishments and entertainment subject to the 10% Casino Entertainment Tax (CET), effective September 1 to December 31, 2003 [Estimated to generate $4,982,000 additional collections during 4-month period].

[4b-FY04] S.B. 8 (20th S.S.) repealed CET and replaced by Live Entertainment Tax (LET): 5% of admissions price, if entertainment is in facility with 7,500 or more seats; 10% of admissions price & food, beverage, and merchandise purchased, if facility has more than 300 and up to 7,500 seats; exempt from the tax if facility is a non-gaming establishment with less than 300 seats or is gaming establishment with less than 300 seats and less than 51 slot machines, 6 games, or any combination thereof, effective January 1, 2004.

[5-FY04] S.B. 8 (20th S.S.) increased liquor taxes by 75%: beer from 9 cents to 16 cents per gallon; liquor up to 14% alcohol from 40 cents to 70 cents per gallon; liquor over 14% and up to 22% alcohol from 75 cents to $1.30 per gallon; liquor over 22% alcohol from $2.05 (15 cents for alcohol abuse program, 50 cents to local government, and $1.40 to state general fund) to $3.60 per gallon (15 cents for alcohol abuse program, 50 cents to local government, and $2.95 to state general fund) , effective August 1, 2003. [Estimated to generate $13,873,000 in FY 2004 and $15,536,000 in FY 2005]. A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the liquor tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate $734,000 in FY 2004 and $822,000 in FY 2005]

[6-FY04] S.B. 8 (20th S.S.) increased cigarette tax per pack of 20 by 45 cents: from 35 cents per pack (10 cents to Local Government Distribution Fund, 25 cents to state general fund) to 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to state general fund), effective July 22, 2003. [Estimated to generate $63,268,000 in FY 2004 and $70,047,000 in FY 2005] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the cigarette tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate $2,538,000 in FY 2004 and $2,884,000 in FY 2005]

[7-FY04] A.B. 4 (20th S.S.) reduced collection allowance provided to taxpayer for collecting and remitting tax on other tobacco items from 2.0% to 0.5%, effective August 1, 2003.

[8-FY04] S.B. 8 (20th S.S.) changed the $25 one-time annual business license fee to an annual fee of $100, effective July 22, 2003.

[9-FY04] S.B. 8 (20th S.S.) repealed the current quarterly $25 per employee tax when the Modified Business Tax comes online, effective October 1, 2003. [See Notes 10 and 11]

[10-FY04] S.B. 8 (20th S.S.) imposes tax on gross payroll of a business less a deduction for health care provided to employees, effective October 1, 2003. Tax rate is 0.70% in FY 2004 and 0.65% in FY 2005.

[11-FY04] S.B. 8 (20th S.S.) imposes tax of 2.0% on gross payroll of a financial institution less a deduction for health care provided to employees, effective October 1, 2003.

[12-FY04] S.B. 8 (20th S.S.) imposes excise tax on each bank of $7,000 per year ($1,750 per quarter) on each branch office, effective January 1, 2004.

[13-FY04] S.B. 8 (20th S.S.) imposes tax of $1.30 per $500 of value on the transfers of real property, effective October 1, 2003.

[14-FY04] S.B.2 and A.B. 4 (20th S.S.) makes changes to the rates and structure of the fees collected from entities filing with the Secretary of State's office, effective September 1, 2003 for Securities and UCC fee increases and November 1, 2003 for changes to commercial recording fees.

[15-FY04] S.B. 428 (2003 Session) increases real estate salesman, broker-salesman, & broker licensing fees by $20 for an original license and $10 for renewal of license (original & renewal license fee varies depending on type of license), effective July 1, 2003.

[16-FY04] A.B. 493 (2003 Session) established that revenues from fees collected by the Division of Financial Institutions of the Department of Business & Industry will be deposited in a separate fund to pay the expenses related to the operations of the Commissioner of Financial Institutions and the Division of Financial Institutions, effective January 1, 2004. Previously, the revenues from the fees were deposited in the state general fund.

[17-FY04] A.B. 550 (2003 Session) increased state's portion of the fee for issuing copy of a birth certificate by $2 and fee for issuing copy of death certificate by $1, effective October 1, 2003

[18-FY04] S.B. 504 (2003 Session) transferred the State Printing Division of the Department of Administration to the Legislative Counsel Bureau and all debt to the state general fund was forgiven, effective July 1, 2003.

[19-FY04] Beginning in FY 2004, the portion of the fees collected by the Real Estate Division for Real Estate Testing Fees that belong to the general fund are transferred from Category 28 in BA 3823 to GL 4741 in the General Fund. Previously, the revenue from these fees were reverted to the general fund at the end of the fiscal year.

FY 2006

[1-FY06] S.B. 357 (2005 Session) allocates $1 per slot machine per quarter in FY 2006 and $2 per slot machine per quarter in FY 2007 from the quarterly fee imposed on restricted and nonrestricted slot machines and sunsets effective June 30, 2007. A total of $822,000 in FY 2006 and $1,678,000 is projected to be deposited in the Account to Support Programs for the Prevention and Treatment of Problem Gambling. (FY 2006: $84,666 - Restricted; $737,334 - Nonrestricted and FY 2007: $172,834 - Restricted; $1,505,166 - Nonrestricted)

[2-FY06] A.B. 554 (2005 Session) lowers the occupancy threshold from 300 to 200, effective July 1, 2005. Estimated to generate $3,600,000 in FY 2006 and FY 2007.

[3-FY06] S.B. 3 (22nd S.S.) provides an exemption for entities that have four or fewer rental dwelling units. Estimated to reduce collections by $2,975,000 in FY 2006 and $3,060,000 in FY 2007.

[4-FY06] S.B. 3 (22nd S.S.) allows an entity operating a facility where craft shows, exhibitions, trade shows, conventions, or sporting events to pay the BLF for entities not having a business license as an annual flat fee of $5,000 or on a $1.25 times the number entities without a business license times the number days of the show basis. Estimated to generate $134,420 in FY 2006 and $158,884 in FY 2007.

[5-FY06] S.B. 391 (2005 Session) replaces the NAICS-based approach for defining a financial institution with a structure based on a state or federal licensing or regulatory requirement for conducting financial activities. Collection agencies and pawn shops are not included as financial institutions, but as nonfinancial businesses. The changes are estimated to reduce MBT-Financial collections by $1,801,800 in FY 2006 and $2,047,500 in FY 2007 and increase MBT-Nonfinancial collections by $584,168 in FY 2006 and $621,237 in FY 2007. Net effect is a reduction in total MBT collections of $1,217,632 in FY 2006 and $1,426,263 in FY 2007.

[6-FY06] S.B. 523 (2005 Session) reduces the MBT-nonfinancial institutions tax rate from 0.65% to 0.63% from July 1, 2005 to June 30, 2007. Estimated to reduce collections by $6,978,000 in FY 2006 and $7,450,000 in FY 2007.

[7-FY06] S.B. 3 (22nd S.S.) provides an exemption for the first branch bank operated by a bank in each county, replacing the previous exemption for one branch bank only. Estimated to reduce collections by $441,000 in FY 2006 and FY 2007.

[8-FY06] S.B. 390 (2005 Session) increases the collection allowance provided to Clark County and Washoe County from 0.2% to 1.0%, effective July 1, 2005, which makes the collection allowance 1.0% in all 17 counties. Estimated to reduce collections by $1,056,292 in FY 2006 and $1,022,504 in FY 2007.

[9-FY06] S.B. 4 (22nd S.S.) allocates $7,600,000 of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2006 and FY 2007.

FY 2008

[1-FY08] Per the June 30, 2007, sunset provision of S.B. 357 (2005 Session), the $2 per slot machine per quarter allocated from the quarterly license fee imposed on restricted and nonrestricted slot machines to the Account to Support Programs for the Prevention and Treatment of Problem Gambling ceases and the full amount collected from the quarterly slot fees remains in the General Fund.

[2-FY08] Per the A.B. 554 (2005 Session), race events that are part of the National Association of Stock Car Auto Racing (NASCAR) Nextel Cup series and all races associated with such an event are exempt from the LET, effective July 1, 2007.

[3-FY08] Per the sunset provision of S.B. 523 (2005 Session), the MBT-nonfinancial institutions tax rate increases to 0.65% from 0.63%, effective July 1, 2007.

[4-FY08] S.B. 165 (2005 Session) requires the state General Fund portion of the petroleum inspection fees imposed pursuant to NRS 590.120 to be deposited into a separate account for use by the Department of Agriculture, effective July 1, 2007.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 1, 2010 FORECAST
ACTUAL: FY 2008 THROUGH FY 2010 AND FORECAST: FY 2011 THROUGH FY 2013
ECONOMIC FORUM'S FORECAST FOR FY 2011, FY 2012, AND FY 2013 APPROVED AT THE DECEMBER 1, 2010, MEETING

DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL [a.]	% Change	ECONOMIC FORUM DECEMBER 1, 2010 FORECAST FY 2011 FORECAST	% Change	FY 2012 FORECAST	% Change	FY 2013 FORECAST	% Change

FY 2009

[1A-FY09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting sales and use taxes to the State from 0.5% to 0.25% effective January 1, 2009 and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated that the change will generate $1,087,145 for the State 2% Sales Tax.

[1B-FY09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25% effective January 1, 2009 and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated that the General Fund commission of 0.75% retained by the State for collecting and distributing the LSST, BCCRT, SCCRT, and Local Option taxes (LOPT) will generate the following additional General Fund revenue: LSST - $8,859; BCCRT - $1,968; SCCRT - $6,893; and LOPT - $4,275.

[2-FY09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting cigarette taxes, liquor taxes, and other tobacco taxes to the state from 0.5% to 0.25% effective January 1, 2009 and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated to generate the following additional General Fund revenue: Cigarette Tax - $125,955; Liquor Tax - $50,412, and Other Tobacco Tax - $11,209.

[3-FY09] S.B. 2 (25th S.S.) requires the advance payment on the net proceeds of minerals tax in FY 2009 based upon estimated net proceeds for the current calendar year. The provisions of S.B. 2 also apply to FY 2010 and FY 2011, but the net proceeds of minerals tax reverts back to the former method (based on previous calendar year) of taxing net proceeds on July 1, 2011. Based on S.B. 2, the Economic Forum's December 1 estimates for net proceeds tax for FY 2010 will be collected in FY 2009 and FY 2011 will be collected in FY 2010. Thus, S.B. 2 is estimated to increase FY 2009 net proceeds tax collections by $28,000,000 and decrease FY 2010 collections by $1,500,000 ($26,500,000 - $28,000,000). There is no revenue impact on FY 2011 as the net proceeds of mineral tax is estimated to remain at $26,500,000 in FY 2011.

[4-FY09] S.B. 2 (25th S.S.) requires that 1% of the 4% recovery surcharge retained by short-term car rental companies as reimbursement for costs of vehicles licensing fees and taxes to be deposited in the state General Fund effective January 1, 2009, and ending June 30, 2009. During the six months that the transfer of 1% of the 4% recovery surcharge to the General Fund is effective in FY 2009, it is estimated that it will generate additional General Fund revenue of $1,779,910

[5-FY09] A.B. 549 redirects $7,600,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer from the Millennium Scholarship Trust Fund in FY 2009.

FY 2010

NOTE: Revenue amounts listed in the footnotes for FY 2010 based on legislative actions during the 2009 Session were prepared by the Fiscal Analysis Division using the Economic Forum's forecasts for FY 2010 and FY 2011 produced at its May 1, 2010, meeting. For those revenues for which revised forecasts were produced during January 2010, the effect of the legislative adjustment is included into the revised forecasts for the major General Fund revenue forecasts approved by the Economic Forum at its January 22, 2010, meeting, and the consensus General Fund revenue forecasts for minor revenue sources prepared by the Fiscal Analysis Division and the Budget Division.

[1-FY10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25%, effective July 1, 2009. A.B. 552 also increased the General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by the BCCRT, SCCRT, and local option taxes (did not apply to the LSST) from 0.75% to 1.75%, effective July 1, 2009. Collectively, these changes are estimated to generate an additional $16,031,800 in FY 2010 and $16,679,000 in FY 2011. [FY 2010 - State 2%: $2,007,000 (TCA); LSST: $1,037,700 (TCA); BCCRT: $1,946,000 (GFC) + $3,700 (TCA); SCCRT: $6,806,700 (GFC) + $12,800 (TCA); LOPT: $4,210,000 (GFC) + $7,900 (TCA) and FY 2011 - State 2%: $2,049,700 (TCA); LSST: $1,081,400 (TCA); BCCRT: $2,028,000 (GFC) + $3,800 (TCA); SCCRT: $7,093,600 (GFC) + $13,300 (TCA); LOPT: $4,400,900 (GFC) + $8,300 (TCA) where GFC represents amount due to General Fund Commission rate change and TCA represents amount due to Taxpayer Collection Allowance change.]

[2-FY10] S.B. 429 changed the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by creating a two-tiered tax rate in lieu of the single rate of 0.63%, effective July 1, 2009. Under S.B. 429, a nonfinancial business pays a tax rate of 0.5% on all taxable wages (gross wages less allowable health care expenses) up to $62,500 per quarter, and a rate of 1.17% on taxable wages exceeding $62,500 per quarter. Estimated to generate an additional $173,330,000 in FY 2010 and $172,393,400 in FY 2011. The change to the MBT-General Business sunsets effective June 30, 2011.

[3-FY10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting & remitting cigarette taxes from 0.5% to 0.25%, effective July 1, 2009. This change is estimated to generate an additional $236,200 in FY 2010 and $237,300 in FY 2011.

[4-FY10] Initiative Petition 1 (IP1) approved by the 2009 Legislature and allowed to become law by the Governor imposes up to an additional 3% room tax in Clark and Washoe counties but not to exceed a total combined rate of 13% in any area of each county, effective July 1, 2009. Under IP1, the revenue from the room tax is deposited in the State General Fund for FY 2010 and FY 2011 and is dedicated to K-12 education beginning in FY 2012.

[5-FY10] S.B. 429 increases the depreciation rates for autos and trucks by 10% in the schedules used to determine the value of a vehicle for the purposes of calculating the Governmental Services Tax (GST) due, effective September 1, 2009. The portion of the GST tax generated from the depreciation schedule change is allocated to the state General Fund, which is estimated to generate $42,842,800 in FY 2010 and $51,411,300 in FY 2011. Under S.B. 429, additional revenue generated from the GST is deposited in the General Fund until FY 2013 and is then deposited in the State Highway Fund beginning in FY 2014.

[6-FY10] S.B. 429 increases the Business License Fee (BLF) by $100 to $200 for the initial and annual renewal, effective July 1, 2009. Effective October 1, 2009, A.B. 146 transfers the BLF to the Secretary of State from the Department of Taxation as part of the business portal program and requires all entities filing with the Secretary of State under Title 7 to pay the initial and annual renewal $200 BLF. It is estimated to generate an additional $38,254,800 in FY 2010 and $44,802,600 in FY 2011. Under S.B. 429, the $100 increase in the BLF sunsets effective June 30, 2011.

[7-FY10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting liquor taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $100,400 in FY 2010 and $102,800 in FY 2011.

[8-FY10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting other tobacco taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $23,560 in FY 2010 and $24,270 in FY 2011.

[9-FY10] Effective July 1, 2009, S.B. 53 requires fees collected for expedite services provided by the Secretary of State to business entities to be deposited in the state General Fund. Estimated to generate $2,272,569 in FY 2010 and $1,818,056 in FY 2011.

[10-FY10] Effective October 1, 2009, S.B. 234 increases the state rate imposed on the short-term rental of a vehicle from 6.0% to 10.0% with the proceeds equivalent to 9.0% deposited in the state General Fund and 1.0% deposited in the state Highway Fund (maintains provisions of A.B. 595 from the 2007 Session). S.B. 234 eliminates the 4.0% recovery surcharge and allows short-term car rental companies to impose a surcharge to recover their vehicle licensing and registration costs. Estimated to generate an additional $9,883,900 in FY 2010 and $13,565,000 in FY 2011.

[11-FY10] A.B. 480 increases various fees collected by the State Engineer for examining and filing applications and issuing and recording permits, effective July 1, 2009. Estimated to generate an additional $900,000 in FY 2010 and FY 2011.

[12-FY10] A.B. 562 redirects $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011.

[13-FY10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 4-cents worth of property tax generated from their operating rate to the state General Fund in FY 2010 and FY 2011. Estimated to generate $36,010,800 in FY 2010 and $32,446,600 in FY 2011. (Clark County: $30,380,500 - FY 2010 and $27,329,100 - FY 2011) (Washoe County: $5,630,300 - FY 2010 and $5,117,500 - FY 2011)

[14-FY10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 3.8 cents in FY 2010 and 3.2 cents in FY 2011 worth of property tax generated from the capital rate imposed pursuant to NRS 354.59815 to the state General Fund in FY 2010 and FY 2011. Estimated to generate $34,210,300 in FY 2010 and $25,957,300 in FY 2011. (Clark County: $28,861,500 - FY 2010 and $21,863,300 - FY 2011) (Washoe County: $5,348,800 - FY 2010 and $4,094,000 - FY 2011)

[15-FY10] S.B. 431 requires a portion of the revenue generated from the state 3/8 of 1% room tax revenue provided to the Nevada Commission on Tourism to be allocated to the state General Fund in FY 2010 and FY 2011. Estimated to generate $2,334,563 in FY 2010 and $3,265,434 in FY 2011.

[16-FY10] A.B. 531 requires the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the state General Fund, effective July 1, 2009. Estimated to generate $4,763,532 in FY 2010 and $6,133,023 in FY 2011.

[17-FY10] S.B. 431 requires the transfer of the estimated residual amount of revenue generated from Insurance Verification Fees to the State General Fund in FY 2010 and FY 2011. Estimated to generate $7,000,000 in FY 2010 and $6,000,000 in FY 2011.

[18-FY10] S.B. 431 requires the transfer of $25,199,365 in FY 2010 and $22,970,977 in FY 2011 from the Supplemental Account for Medical Assistance to Indigent Persons created in the Fund for Hospital Care to Indigent Persons to the state General Fund.

DESCRIPTION	FY 2008 ACTUAL	% Change	FY 2009 ACTUAL	% Change	FY 2010 ACTUAL [a.]	% Change	ECONOMIC FORUM DECEMBER 1, 2010 FORECAST FY 2011 FORECAST	% Change	FY 2012 FORECAST	% Change	FY 2013 FORECAST	% Change

FY 2010 - Continued: Notes 19 to 31 represent legislative actions approved during the 26th Special Session in February 2010.

[19-FY10 Based on information provided to the Fiscal Analysis Division regarding the amount of net proceeds that would be reported to the Department of Taxation on March 1, 2010, pursuant to NRS 362.115 for calendar year 2009 for FY 2010 and information on estimated mining operations for calendar year 2010 and 2011, the Fiscal Analysis Division produced a revised estimate for FY 2010 and FY 2011 for net proceeds of minerals tax of $71,700,000 and $62,100,000, respectively. These revised estimates were $31,700,000 and $27,100,000 higher than the consensus forecast prepared by the Budget Division/Fiscal Analysis Division on February 1, 2010 of $40,000,000 for FY 2010 and $35,000,000 for FY 2011.

[20-FY10] Section 47 of A.B. 6 (26th S.S.) creates a new annual mining claim fee based on a progressive graduated fee per mining claim associated with the total number of mining claims held by an enity in Nevada. This new mining claims fee is estimated to generate $25,700,000 in FY 2011 only as the fee is scheduled to sunset effective June 30, 2011.

[21-FY10] The Division of Insurance of the Department of Business and Industry is required to implement a program to perform desk audits of tax returns submitted by insurance companies when filing for the insurance premium tax. This program is estimated to generate an additional $10,000,000 in insurance premium tax collections in FY 2011.

[22-FY10] Section 64 of A.B. 6 (26th S.S.) requires the Department of Taxation to conduct a tax amnesty program from July 1, 2010 to September 30, 2010 for all taxes that are required to be reported and paid to the Department. It is estimated that the tax amnesty program will generate $10,000,000 in FY 2011 from all the different applicable taxes, but an estimate of additional revenue expected from each individual revenue source was not prepared.

[23-FY10] A.B. 6 (26th S.S.) increased various fees authorized or imposed in NRS associated with activities of the Secretary of State's Office related to securities, commercial recordings, & UCC filing requirements as well as changed the allocation of the portion to the State General Fund for fees associated with notary training and domestic partnerships. The changes were estimated to generate the following amounts in FY 2010 & FY 2011: UCC: $155,200 - FY 2010 and $465,600 - FY 2011; Commercial Recordings: $354,342 - FY 2010 and $1,063,027 - FY 2011; Notary Fees: $0 - FY 2010 and $153,600 - FY 2011; Securities: $855,314 - FY 2010 and $4,860,193 - FY 2011; and Domestic Partnerships: $0 - FY 2010 and $50,000 - FY 2011.

[24-FY10] Section 45 of A.B. 6 (26th S.S.) increases the license fee from 4% to 6% on the gross receipts from admission fees to a live contest or exhibition of unarmed combat, effective July 1, 2010. This fee increase is estimated to generate $1,250,000 in additional revenue for FY 2011.

[25-FY10] A.B. 6 (26th S.S.) requires the current fees specified in NRS 440.700 associated with birth and death certificates to continue to be collected by the State Registrar until the State Registrar establishes new higher fees through regulation. The higher fees imposed through regulation are expected to be effective July 1, 2010, and are estimated to generate an additional $368,511 in revenue for FY 2011.

[26-FY10] Section 31 of A.B. 6 (26th S.S.) imposes a new fee of $150 per notice of default or election to sell with the proceeds deposited in the State General Fund, effective April 1, 2010. This new notice of default fee is estimated to generate additional General Fund revenue of $2,760,000 in FY 2010 and $11,040,000 in FY 2011.

[27-FY10] Section 18 of A.B. 6 (26th S.S.) requires the Clean Water Coalition in Clark County to transfer securities and cash in the amount of $62,000,000 to the State General Fund. This transfer is expected to occur in FY 2011.

[28-FY10] Section 36 of A.B. 6 (26th S.S.) requires the Legislative Commission to transfer the first $100,000 in revenue collected from lobbyist registration fees imposed pursuant to NRS 218H.500 to the State General Fund. The $100,000 transfer to the General Fund is for FY 2011 only as the provisions sunset on June 30, 2011.

[29-FY10] Section 34 of A.B. 6 (26th S.S.) increases the adminstrative assessment amount associated with misdemeanor violation fines by $5 effective upon passage and approval of A.B. 6 (March 12, 2010). The proceeds from the additional $5 adminstrative assessment as part of the sentence for a violation of a misdemeanor are deposited in the State General Fund and is estimated to generate an additional $192,544 in FY 2010 and $2,310,530 in FY 2011.

[30-FY10] Based on information provided by the Treasurer's Office, the Fiscal Analysis Division revised the estimate for unclaimed property collections to be deposited in the State General Fund to $52,000,000 in FY 2010 and $58,081,000 in FY 2011. This revised forecast for unclaimed property proceeds yields an additional $4,018,000 in FY 2010 and $15,000,000 in FY 2011 above the February 1, 2010, consensus forecast of $47,919,000 for FY 2010 and $43,081,000 for FY 2011 prepared by the Budget Division/Fiscal Division based on information provided by the Treasurer's Office.

[31-FY10] Section 1 of A.B. 3 (26th S.S.) redirects the full $7,600,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer from the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. A.B. 562 (75th Session) redirected $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. The net effect of the provisions of A.B 3 is an additional $3,800,000 in General Fund revenue in FY 2010 and FY 2011 from unclaimed property proceeds.